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# ***Daily Report***

## **China**

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# Daily Report

## China

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### General

#### Seminar on State-Owned Enterprises Opens

OW1403172695 Beijing XINHUA in English 1647  
GMT 14 Mar 95

[FBIS Transcribed Text] Shanghai, March 14 (XINHUA)—An international seminar on the structural system of state-owned enterprises in China opened today in this economic and financial hub of the country.

The seminar was jointly sponsored by the United Nations Development Program (UNDP), the China International Economic and Technological Exchange Center, and Shanghai municipal government departments.

Experts, scholars, and entrepreneurs from China and other countries and regions will discuss problems arising from the reforms of state-owned enterprises, such as how the government can manage such enterprises more efficiently, how state-owned enterprises can streamline their structure and operations, and how to transform them into share-holding firms.

#### Delegate Addresses UN on Antidrug Efforts

OW1503052295 Beijing XINHUA in English 0450  
GMT 15 Mar 95

[FBIS Transcribed Text] Vienna, March 14 (XINHUA)—China's deputy minister of public security today spoke of his country's work and achievements in combating drug-related crime.

In a speech at the 38th conference of the UN Commission on Narcotic Drugs (CND) which opened here today, Bai Jingfu, the head of the Chinese delegation, referred to the drug control measures adopted by the Chinese government and the great progress it has made in the field.

Bai, who is also deputy director of China's drug control committee, said that China has taken strong action to combat drug trafficking. It has dealt particularly harshly with the heads of international drug trafficking groups operating in the country, especially in the southwestern border areas.

The Chinese government has made sustained efforts to reduce the demand for illegal drugs, and has made significant progress in drug control and stopping the use of narcotics, the deputy minister went on.

Strict supervision has been introduced with regard to the legal use of drugs and drug-producing chemicals, and a 40 percent reduction in the amount of drug-producing chemicals seized was achieved last year, he pointed out.

Bai Jingfu said that great emphasis has been placed on drug control propaganda and preventive measures, aimed in particular at young people.

Bai stressed, however, that China still faces a difficult, complex and changing situation in the field of drug control.

The Chinese government will work to strengthen international cooperation in this field, and will make its full contribution, he added.

More than 80 countries and dozens of international organizations are represented at the conference, which is scheduled to end on March 24.

### United States & Canada

#### Reopening of Sino-U.S. WTO Talks Examined

HK1503111795 Hong Kong TA KUNG PAO in Chinese  
15 Mar 95 p A2

[Editorial: "Sino-U.S. Talks on China's Reentering GATT To Reopen in April"]

[FBIS Translated Text] Visiting U.S. Trade Representative Mickey Kantor disclosed in Beijing that the United States would reopen talks with the Chinese side on the issue of China's joining the World Trade Organization [WTO] as a founding member in Geneva in the last 10 days of April. Mickey Kantor also said that an important aspect of developing bilateral relations between the two countries at present is to make efforts to enable China to join the WTO as a founding member. The United States would continue to work toward China joining this organization and would take a pragmatic attitude to promote the progress of the talks.

Mickey Kantor's statement shows that a favorable turn has emerged in the process of China's joining the WTO as a founding member. As we all know, the main obstacles in the latter part of the negotiations on China's joining the WTO have come from the United States and Europe. The core of the obstacles is that the United States and European countries have strongly demanded that China should meet the requirements for developed countries in reentering GATT, while China has insisted on meeting those for developing countries and cannot accept the requirements for developed countries as a conditional basis for China's reentering GATT. It was the controversy on this point at the end of last year that prevented China from joining the WTO.

However, following the agreement on the protection of intellectual property rights, Sino-U.S. relations on economics and trade today not only have tended to become more relaxed but also have entered a new stage of development. China and the United States reached an agreement on the protection of intellectual property rights and the notes exchanged were initialed on the evening of 26 February following nine rounds of arduous talks over 20 months. During his current visit to China, Mickey Kantor officially signed the Sino-U.S. agreement on the protection of intellectual property rights in Beijing on 11 March. In addition, representatives of the two

sides held further talks on developing economic relations and trade between the two countries.

Following the settling of the issue of the protection of intellectual property rights, the next step for China and the United States is toward China's demand to reenter GATT. Regarding this issue, the United States had already made some commitment in the memorandum of understanding signed by China and the United States in 1992; that is, that it would support China's reentry into GATT. However, at the crucial moment of the talks last year, the United States took the lead in setting up obstacles to prevent China from reentering GATT. One of the reasons the United States changed its attitude was that it wanted to use the obstacles to China's reentry into GATT as a bargaining tool in Sino-U.S. talks on protection of intellectual property rights. Of course, there were also political reasons. However, facts have proved that if controversies, irrespective of intellectual property rights or China's reentry into GATT, are smoothly ironed out, Sino-U.S. economic relations and trade will be greatly promoted and the outcome will also be conducive to world trade. Conversely, the setting up of obstacles by either, imposing sanctions against each other, or escalating retaliation will be harmful to the interests of the two countries and to world trade.

During his current visit to China, Mickey Kantor held long talks with Wu Yi, minister of foreign trade and economic cooperation, and announced that the two sides had reached broad agreement on China's reentry into GATT and on its implementation of the memorandum of understanding on market access and other issues. Mickey Kantor later made a statement reaffirming the U.S. Government's support for China's becoming a founding member of the WTO. He said: "The United States understands the importance of U.S.-Chinese relations. In various talks on China's reentry into GATT, the U.S. side is willing to adopt a positive, pragmatic, and flexible attitude and has agreed to deal with the issue of China's status as a developing country in a down-to-earth manner on the basis of the agreement in the Uruguay round of talks."

Since Mickey Kantor has said that he is ready to deal with China's status as a developing country on the basis of seeking truth from facts, we believe the United States itself is also aware that the argument that China is a developed country, on which it has insisted over a long period, cannot stand at all and that always using this point to obstruct China from reentering GATT can never be accepted by various member states of the WTO, but will simply damage the U.S. reputation and position in the world.

The Chinese Government has attached great importance to Mickey Kantor's first visit to China. President Jiang Zemin met him the day before yesterday (13 March) and said something significant and worth pondering. Jiang Zemin said: China thinks that the significance of Sino-U.S. relations goes far beyond the bilateral relations

themselves. They should be put in the global range for consideration with our eyes on the 21st century. Mickey Kantor also said: "The United States thinks that a strong, stable, and united China is in keeping with U.S. interests." What he said represents the correct view of the broad masses of people with breadth of vision who look at Sino-U.S. relations from the angle of long-term interests.

Of course, Mickey Kantor's words and deeds during his current visit show that clouds over Sino-U.S. economic relations and trade, resulting from controversies during several rounds of talks, are beginning to disperse. However, we should not be unrealistically optimistic and think that it will only be plain sailing from now on. After all, the United States is a big utilitarian country which gives first priority to its own interests, and the conservative forces in its Congress are growing. The human rights issue remains a card for the United States to exert pressure on China. The U.S. economic situation is not favorable either. In particular, the plummeting of the U.S. dollar caused by the Mexican financial crisis indicates that the U.S. political and economic situation is still not stable. If U.S. statesmen realize that Sino-U.S. relations conform with the long-term political and economic interests of the two countries and adopt an attitude of equality, mutual benefit, and mutual respect to jointly develop bilateral relations together with China, the United States will be able to win a vast market in China, which has a population of 1.2 billion people. Conversely, if Sino-U.S. relations become unstable again, the interests in economy and trade of the two countries will certainly be affected.

China has welcomed Mickey Kantor's visit and what he has done during his visit. China also looks forward to the smooth development of Sino-U.S. economic relations and trade and of the issue of China's reentry into GATT.

#### Editorial Denies 'Concessions' in IPR Talks

HK1503101295 Hong Kong WEN WEI PO in Chinese  
1 Mar 95 p a2

[Editorial: "China Has the Strength To Say 'No' Should Its Sovereignty Be Infringed Upon"]

[FBIS Translated Text] China and the United States have reached an agreement on the issue of intellectual property rights [IPR] protection. This is the result of the two sides' proceeding from the overall situation, negotiating on an equal basis, and making efforts in the development of bilateral relations in order to avoid the outbreak of a trade war and to promote the progress of bilateral trade and economic cooperation.

However, some people have turned a blind eye to this fact, and have spread rumors and false information, saying that "a trade war was avoided only when China eventually made concessions." Such media reporting on the Sino-U.S. IPR agreement is meant to misguide the reader and shows no respect for the facts.

In the first place, China has never made any concessions in the face of power politics which would jeopardize its sovereignty. When the United States made harsh demands that infringed on China's sovereignty, and when it forced them on China, under the threat of sanctions, China was not scared out of its wits. Within an hour, China promptly announced its counterretaliation plan, which very clearly indicated the prospect: Should the United States implement sanctions, it would lose the vast Chinese market, which included the market for computer software and audio-visual products, as well as the aircraft and automobile markets. China is not afraid of U.S. sanctions. Back in the 1950's and 1960's, the United States long implemented sanctions against China, which resulted only in jeopardizing U.S. strategic and commercial interests. To correct historical errors, U.S. President Nixon personally pushed open the door to China and brought the sanctions to an end, and thus the United States began to do business with China in a big way. Again in 1989, the United States implemented partial sanctions against China. As a result, the United States lost huge orders for the Chinese market. Obviously, sanctions would hurt the United States primarily, causing the loss of an export market on the rise, with strong momentum.

The all-out U.S. efforts to pressure China was aimed at occupying the Chinese market to the maximum, but not to give up this huge market. China has long seen through this U.S. intention and the so-called "sanctions card" basically could not work. For 15 consecutive years the Chinese economy has continued to develop at a growth rate exceeding 9 percent; furthermore, it is a huge market, with a population of 1.1 billion. China enjoys an annual foreign trade growth rate of 17 percent, and its foreign trade volume in 1994 was \$220 billion. In addition, \$100 million in foreign equipment and projects will be imported in the next five years. This is precisely where China's strength lies. China is no longer shallow in knowledge. No country whatsoever will succeed in its attempt to subdue China through threats of "sanctions." In today's world, how many countries are there that are capable of contending with the U.S. "sanctions card?" China has the power and courage to reject irrational U.S. demands.

China has been willing to conduct talks with the United States on the IPR protection issue because IPR protection is also compatible with China's interest in economic modernization. In the course of reform and opening up, China also has accelerated legislation on IPR protection and used talented people, the enthusiasm of the intelligentsia, science and technological productive forces, and patent rights. Failure in legislation aimed at ensuring IPR would result in allowing lazy and backward production units that have no enterprising spirit to infringe on scientific and technological results and the fruits of the labor of diligent, progressive units with strong creativity. Consequently, China would be unable to make tremendous progress. IPR protection is primarily an internal and conscious action for China itself, and would never

be the result of external pressure. Reviewing the process of China's legislation on IPR protection, China has gone through a process that took industrial countries a century to complete, and such accomplishments are plain for everyone to see. It would be political prejudice for anyone to turn a blind eye to China's efforts and accomplishments in the course of reform and opening up. When the United States set out irrational demands, which were not on the agenda and had nothing to do with IPR, China naturally rejected them. Here lies the crux of why it was difficult to make progress in the talks. When the talks were back on the proper topic, with irrational demands removed, agreement was swiftly reached.

Second, those people who said that China had made "concessions" to avoid a trade war did not bother to prove that China "had made concessions" based on the facts of the talks. What were the irrational U.S. demands that had nothing to do with IPR? 1) The U.S. side demanded that China revise the PRC Law of Civil Procedure, Article 250. 2) The U.S. side demanded a revision of the standard charges for lawsuits in China. 3) The U.S. side demanded the initiation of companies for press publication, and audio-visual products with monopoly investment. 4) The U.S. side demanded that cities in China submit unilateral reports to the United States twice a week. All these demands infringed upon China's legislative, judicial, and administrative rights, as well as on its state sovereignty, and China naturally rejected them all. We would like to ask those people who criticized China for "making concessions" to carefully look into the Sino-U.S. eight-point agreement to tell us: Were any of these irrational demands involving China's sovereignty that were tabled by the U.S. side at the talks accepted with "concessions" by the Chinese side? None. The Chinese side long ago made a statement that it would never make any concessions on any issue involving the principle of sovereignty, and should the United States be bent on implementing "sanctions," China would like to keep it company.

The theme in the recent talks was mutual IPR protection. Such protection is unanimously and mutually beneficial. Both the Chinese and U.S. sides will crack down on behavior within their territories which infringes on copyrights, will further protect the copyrights of audio-visual products and computer software, and will implement the system of copyright certification, in which the U.S. side will provide the Chinese side with data and assistance in personnel training. That was the normal result of the talks, which had nothing to do with China's "making concessions."

The recent IPR talks were a demonstration as well as a test of China's national strength. Only when China possesses mighty economic strength will it be possible to stand up and conduct talks on IPR protection on equal footing, to say "no" on the issue of its sovereignty being infringed upon, and to veto irrational demands. Of course, it was also necessary to have mutual understanding and make mutual concessions to show consideration of both interests in order to reach an agreement

on the basis of negotiations on an equal basis. That, however, was another kettle of fish, and has nothing in common with "making concessions" on issues of principle.

### PLA Chief Meets Canadian Vice Admiral

OW1403130395 Beijing XINHUA in English 1207  
GMT 14 Mar 95

[FBIS Transcribed Text] Beijing, March 14 (XINHUA)—General Zhang Wannian, chief of the General Staff of the Chinese People's Liberation Army (PLA), met with Vice Admiral Lynne Mason, vice-chief of the Defence Staff of Canadian Forces, and his party here this afternoon.

The Canadian visitors arrived here on March 11 at the invitation of the Headquarters of the General Staff of the PLA. This morning, Assistant Chief of the PLA General Staff Xiong Guangkai held talks with Mason and hosted a luncheon for him and his party.

### Northeast Asia

#### Japanese Prime Minister To Visit in May

OW1303152395 Beijing XINHUA in English 1444  
GMT 13 Mar 95

[FBIS Transcribed Text] Copenhagen, March 11 (XINHUA)—Japanese Prime Minister Tomiichi Murayama will visit China in May this year.

Murayama accepted an invitation from Chinese Premier Li Peng during a meeting of the two leaders at the Bella Center here today.

The prime minister said he expects to hold deeper-going talks with Li Peng during his visit to Beijing.

#### Japan To Further Survey Old 'Chemical Weapons'

OW1403162495 Beijing XINHUA in English 1547  
GMT 14 Mar 95

[“Japan To Further Survey Poisonous Gas Left in China”—XINHUA headline]

[FBIS Transcribed Text] Tokyo, March 14 (XINHUA)—Japan said today it will conduct further surveys in China on chemical weapons left behind by the now-defunct Japanese Imperial Army at the end of World War II.

Japan plans to continue sending government missions to China to investigate into the remaining chemical weapons, Foreign Ministry spokesman Terusuke Terada told a regular press conference.

But he added that the specifics of the missions such as dates and locations have yet to be discussed with the Chinese government.

The spokesman's remarks came a day after a Japanese Government inspection team confirmed for the first

time that three drums of chemicals discovered in China's Anhui province were lethal gases left behind by the former Japanese troops after the war.

Terada said the mission that has inspected three Chinese provinces since late February was the first step to look into the left chemicals.

After a series of surveys, Japan will study measures to dispose the poisonous gas, including setting up facilities in China, the spokesman added.

The Japanese mission told reporters in Beijing on Monday that the poisonous drums were identified as belonging to the Japanese army by the numbers and Katakana characters stamped on them.

### Southeast Asia & Pacific

#### Hainan Notes Success in Settling Indochina Refugees

OW1503044695 Beijing XINHUA in English 0316  
GMT 15 Mar 95

[FBIS Transcribed Text] Haikou, March 15 (XINHUA)—Indo-Chinese refugees have found better shelter in South China's Hainan province, with all them getting jobs, receiving medical care, and are even receiving pensions after retirement.

Altogether, 29,950 Indo-Chinese refugees, mainly from Vietnam, have been settled in 42 state-run provincial farms.

Since 1979, the Chinese government has put great effort in settling refugees and has put a total of 400 million yuan in the construction of farms for refugees.

The province has co-operated with the UN High Commissioner for Refugees and has used humanitarian aid from the world organization to improve the living conditions of refugees.

From 1979 to 1994, the province has gotten aid from the organization amounting to 11.59 million U.S. dollars and has applied it to 58 aid projects, which provided refugees with jobs. This year, the organization will provide another 240,000 dollars in aid for the construction of two industrial and one agricultural project.

#### Protocol Initiated on Sino-Burma Boundary Inspection

OW1403090895 Beijing XINHUA in English 0830  
GMT 14 Mar 95

[FBIS Transcribed Text] Yangon [Rangoon], March 14 (XINHUA)—The fourth meeting of the China-Myanmar [Burma] Joint Boundary Inspection Committee ended here today.

Chinese Chief Representative of the Joint Committee Xu Wenyi and Myanmar Chief Representative U Tun

Aung today initiated the protocol between the two governments on the second joint inspection of the China-Myanmar boundary and its attached maps.

Chinese Ambassador to Myanmar Mrs. Chen Baoliu attended the meeting and initiating the ceremony.

The initiated protocol says that the second joint inspection of the China-Myanmar boundary has successfully completed.

The first joint inspection of the China-Myanmar boundary was carried out in 1984-86. During that period, the two parties only inspected some sections of the China-Myanmar boundary.

The second joint inspection began in November 1992. During the past two years and more, the two parties inspected the entire China-Myanmar boundary line.

#### **Qiao Shi Meets, Fetes Malaysian Parliament Delegation**

*OW1303135595 Beijing XINHUA in English 1307  
GMT 13 Mar 95*

[FBIS Transcribed Text] Beijing, March 13 (XINHUA)—Qiao Shi, chairman of the Standing Committee of China's National People's Congress (NPC), met with a Malaysian delegation led by Tan Sri Dato Mohamed Zahir Ismail, speaker of the House of Representatives of Malaysia, here today.

Qiao gladly recalled the last meeting with Speaker Zahir in his visit to Malaysia in 1993.

Sino-Malaysian relations are developing steadily on various levels, Qiao said, adding that Zahir's visit to China is conducive to the enhancement of mutual understanding and friendship. He expressed the hope that China and Malaysia would strengthen cooperation, help meet each other's needs, and make efforts for peace and development which are the common goal of the mankind.

Qiao also briefed Zahir on the work of the NPC and its Standing Committee, as well as the importance of strengthening legislation for China's economy under the situation of its reforms and opening-up.

Zahir said that there have been many official and non-governmental exchanges between Malaysia and China, and Chinese President Jiang Zemin's visit to Malaysia in last November made the bilateral relations closer. He said that he hoped that cooperation in trade and tourism between the two countries would be further developed.

After the meeting, Qiao hosted a banquet in honor of the Malaysian guests, who arrived here Sunday on a goodwill visit to China at the invitation of the NPC Standing Committee.

#### **Jiang Zemin Meets Delegation**

*OW1503104595 Beijing XINHUA in English 0951  
GMT 15 Mar 95*

[FBIS Transcribed Text] Beijing, March 15 (XINHUA)—Chinese President Jiang Zemin expressed satisfaction with the continuous development of relations

between China and Southeast Asian countries during his meeting with a Malaysian delegation here today.

The delegation is led by Tan Sri Datuk Mohamed Zahir Ismail, speaker of the House of Representatives of Malaysia.

Jiang said he was deeply impressed during his Malaysian tour last November, in which he had met with Malaysian leaders, adding that contacts and exchange of views between leaders are very important to increasing understanding and friendship.

Noting that it is an important component part of China's independent foreign policy of peace to expand its good-neighborly friendship with all southeast Asian nations on the basis of the Five Principles of Peaceful Co-existence, he said China is rejoiced at the constant development of its ties with Southeast Asian countries.

Zahir said that his delegation has been deepening its understanding of China during the current visit, which is of great significance.

He expressed his hope that the visit can further enhance the existing friendly cooperative ties between the two countries, and that the momentum of development of bilateral friendly and cooperative ties will be maintained.

Jiang also briefed the guests on China's economic and political situation, and asked Zahir to convey his regards to Malaysian Supreme Head of State Tunku Ja'afar, and Prime Minister Mahathir Mohamed.

Ni Zhifu, vice-chairman of Chinese National People's Congress Standing Committee, was among those present at today's meeting.

#### **Near East & South Asia**

**Trade Minister Wu Yi To Visit Egypt 19-26 Mar**  
*OW1403134295 Beijing XINHUA in English 1010  
GMT 14 Mar 95*

[FBIS Transcribed Text] Cairo, March 14 (XINHUA)—The Chinese Minister of Foreign Trade and International Cooperation Wu Yi, heading a delegation, will arrive here on March 19 for an eight-day visit aimed at boosting trade relations between China and Egypt.

The Chinese delegation include senior officials of giant enterprises, businessmen and investors, the English-language newspaper THE EGYPTIAN GAZETTE said today.

The paper quoted an official at the Chinese Embassy in Cairo as saying that the Chinese delegation will discuss with Egyptian officials renewing the Egyptian-Chinese Trade Accord signed in 1985.

As the accord focused on trading goods and commodities, he said, the delegation will also discuss extending it to cover technology transmission, tourism and economic cooperation.

During her visit, Wu Yi will meet with Minister of Economy and Foreign Trade Mahmud Muhammad Mahmud and State Minister of International Cooperation Yusuf Butrus-Ghali. She will also hold talks with Egyptian businessmen to encourage joint investments between the two countries.

The trade ties between Egypt and China have improved over the past few years. According to lastest statistics, the volume of bilateral trade exchanges in 1994 reached 300 million U.S. dollars worth, as compared to 220 million dollars in 1993, the paper said.

Last year, China exported 279 million dollars worth of commodities to Egypt, and the Chinese imports from Egypt was 21 million dollars worth.

The Chinese Embassy official said that 45 percent of the Chinese exports include equipment, machinery and electronic goods while the majority of Egyptian exports to China are steel products.

He said that the Chinese government is now encouraging Chinese companies and factories to purchase products and raw materials from Egypt.

He also called on Egyptian investors and businessmen to hold fairs and participate in the trade markets in China's major cities to display the best Egyptian products and recognize the needs of Chinese consumers.

#### Foreign Trade Minister Wu Yi Leaves For North Africa

OW1503082795 Beijing XINHUA in English 0750  
GMT 15 Mar 95

[FBIS Transcribed Text] Beijing, March 15 (XINHUA)—A Chinese government economic and trade delegation left here today for visits to Tunisia, Egypt and Morocco at the invitation of the governments of the three countries.

The delegation is headed by Wu Yi, Chinese minister of foreign trade and economic cooperation (MOFTEC).

It is learned that, during the visit, Wu is to co-host meetings of the bilateral mixed commissions of economic, trade and technological cooperation with the foreign trade ministers of the three countries, respectively. She will also sign summaries from the meetings, as well as new economic and trade agreements and hold some important exchanges of notes.

The three Arabic countries in North Africa are among those that established diplomatic ties with China very early in Africa, and all enjoy friendly cooperation with China.

Recent years have witnessed new developments in economic and trade ties between China and the three countries, and a rapid increase in bilateral trade volume.

According to the Chinese customs, Sino-Tunisian trade reached 63 million U.S. dollars-worth in 1994, an increase of 524 times over 1955, and the trade volumes between China and Egypt and Morocco stood at 280 million U.S. dollars-worth and 98 million U.S. dollars-worth, respectively—88.5 times and 11.4 times more than in 1950.

Meanwhile, China, as far as it could, has supplied economic aid to the three countries.

A high-level MOFTEC official said that since China and the three countries are economically complementary to a certain degrees, their cooperative potential is great, though the scale of mutual beneficial cooperation and the trade volumes between them are still small at present.

Since the four countries, all developing ones, share the common desire to furthering bilateral economic and trade ties, cooperation in this respect is sure to witness a great growth as long as the countries seriously study and seek ways to develop bilateral ties based on their respective practical conditions and through concerted efforts, he said.

The official noted that the four governments should encourage their enterprises to intensify their contacts and cooperation with proper policies and guidelines.

He expressed confidence that the mixed committees and the new economic and trade agreements to be reached will vigorously promote economic and trade relations between China and the three countries and push such cooperation to a new stage.

#### Further on Pact To Export Power Equipment to Iran

HK1303073195 Hong Kong HONGKONG STANDARD (FINANCIAL REVIEW) in English 13 Mar 95 p 1

[By Chan Po-chung]

[FBIS Transcribed Text] China Dongfang Electric Corporation (CDEC), parent of locally-listed H-share company Dongfang Electrical Machinery, is to export four power generators to Iran worth \$2.6 billion. The total capacity of the generators is 1,300 megawatts.

CDEC and Iran's Power Plant and Project Management Corporation signed a contract for the deal in Teheran recently. It is not clear what kind of generators are being sold or when they will be delivered.

The generators, with a capacity of 325 megawatts each, would be used at the Arak powerplant in Iran's central province of Markazi, CDEC president Li Zongwen said.

Mr Li said the company also would be providing technical services for the project. Work on the Arak plant will begin in the first half of 1996. The plant is scheduled to go into operation in 2000.

Listed on the local bourse last May, Dongfang Electrical's core business is producing large-scale hydro turbine and steam turbine generators. The company is one of the three largest high capacity electrical generator manufacturers in terms of production capacity and market share in China. Dongfang Electrical is 48.89 per cent owned by Dongfang Electric Machinery Works, which in turn is a wholly-owned subsidiary of CDEC. Local H shares account for 37.78 per cent of the issued share capital of Dongfang Electrical.

The company plans to increase its design capacity for hydroelectric power generators from the present level of 600 megawatts to 800 megawatts in 1995 and ultimately to 1,600 megawatts by 1997. By the time the company begins providing the generators for China's Three Gorges power station in 1999, its design capacity should have increased to 2,000 megawatts while it should be able to produce two sets of 700 megawatt generators each year.

#### Nepali Information Minister Leaves for Beijing

OW1303110895 Beijing XINHUA in English 0923  
GMT 13 Mar 95

[FBIS Transcribed Text] Kathmandu, March 13 (XINHUA)—Nepali Minister for Information and Communication Pradip Nepal left here this afternoon for a five-day visit to China.

This is the first high-ranking Nepali official to visit China after the newly-elected government came to power last November.

The information minister will purchase some telecommunication equipment including computers during his stay in China.

#### West Europe

#### Norwegian Parliament Delegation Ends Guangdong Tour

OW1103135795 Beijing XINHUA in English 1310  
GMT 11 Mar 95

[FBIS Transcribed Text] Guangzhou, March 11 (XINHUA)—A delegation from the Norwegian parliament left here today after concluding a three-day visit to south China's Guangdong Province.

The delegation, headed by Kirsti Kolle Groendahl, president of the Parliament of Norway, toured the Guangzhou Economic and Technological Development Zone and Foshan City during its stay in the province.

Zhang Guoying, deputy secretary of the Guangdong Provincial Committee of the Communist Party of China, met with and gave a banquet in honor of the delegation.

The delegation's China visit was at the invitation of the Chinese National People's Congress Standing Committee.

#### Turkish Air Force Delegation Leaves for Visit

OW1103165495 Beijing XINHUA in English 1613  
GMT 11 Mar 95

[FBIS Transcribed Text] Ankara, March 11 (XINHUA)—A Turkish air force delegation, led by Turkish Air force Commander General Halis Burhan, left here today for China on a six-day visit.

It is reported that this visit aims at further improving ties between the two countries' air forces and mutual understanding.

During their stay in China, the Turkish delegation is expected to visit Beijing and Xian. They are scheduled to leave China on March 18.

Chinese Ambassador to Turkey Hu Changlin went to the Ankara Military Airport to see off the delegation.

#### PLA Air Force Commander Meets Burhan

OW1403131895 Beijing XINHUA in English 1157  
GMT 14 Mar 95

[FBIS Transcribed Text] Beijing, March 14 (XINHUA)—Yu Zhenwu, commander of the Air Force of the Chinese People's Liberation Army (PLA), met and had a cordial talk with his Turkish counterpart Halis Burhan and his party here today.

After the meeting, Yu hosted a banquet for the Turkish visitors.

Burhan and his party arrived here Monday [13 March]. This morning, Yu presided over a welcoming ceremony in honor of Burhan.

#### Chi Haotian Meets Turkish Commander

OW1503113195 Beijing XINHUA in English 1101  
GMT 15 Mar 95

[FBIS Transcribed Text] Beijing, March 15 (XINHUA)—Chinese State Councillor and Minister of National Defense Chi Haotian today expressed his hope to enhance contacts between the air forces of China and Turkey, so as to increase mutual understanding, develop friendship and promote cooperation.

During a meeting with General Halis Burhan, commander of the Air Forces of Turkey, and his party here this afternoon, Chi said though China and Turkey had forged their diplomatic ties not long ago, the contacts between the heads of state and government of the two countries and the two armed forces have become frequent.

The continuous development of bilateral friendly relations between the two countries is beneficial not only to Asia, but to the rest of the world, he noted.

Chi voiced China's willingness to establish good-neighborly ties with its all surrounding countries.

Spanning over the Eurasian continent, Turkey with a strong army has boosted its economy rapidly, he said. The two countries can not only expand their relations in economy and culture but learn from each other and make each other's deficiencies in the military field. [sentence as received]

Burhan said the Turkish leaders attach great importance to developing its relations with China, and that the two countries should maintain close contacts.

He held that there exist broad prospects for bilateral cooperation in economy and culture and also possibilities in the fields of science, technology and national defense industry.

Burhan said this is his first visit to China, and he wished the country's reform and opening-up a success.

## NPC

### Presidium of NPC Third Session Holds Third Meeting

OW1503092395 Beijing XINHUA in English 0854  
GMT 15 Mar 95

[FBIS Transcribed Text] Beijing, March 15 (XINHUA)—The Presidium of the Eighth National People's Congress (NPC) Third Session held its third meeting here today, adopting a draft decision on Premier Li Peng's report on the work of government, which will be submitted for approval at the NPC plenary meeting.

The Presidium also approved two examination reports by the NPC Financial and Economic Committee, on the draft report on the implementation of the national economic and social development plan of 1994 and the development plan set for 1995, and the draft report on the implementation of the 1994 budget and the draft budget for the central and local governments for 1995.

NPC Financial and Economic Committee chairman Liu Suinian and vice-chairman Li Yu, gave explanations to the two reports at the meeting.

Liu said the national economic and social development plan for 1994 has been well implemented on the whole. The national economy recorded fast, steady growth and the reform measures in taxation, finance, foreign exchange and foreign trade were implemented with smooth operations.

However, he said, problems such as rising inflation, weak agricultural foundation and loss-making of state-run enterprises are yet to be solved.

The Financial and Economic Committee said the national economic and social development plan for 1995 put forward by Chen Jinhua, minister of the State Planning Commission, is feasible and well targeted, and suggested that it be adopted by the NPC session.

The committee put forward the examination results based on the deliberation opinions of the NPC deputies and said that the budgetary report delivered by minister of Finance Liu Zhongli should be approved.

The Presidium adopted draft decisions on the reports by Chen and Liu and decided to submit them to the NPC plenary meeting for approval.

The Presidium also decided to present the draft name-lists of vice-premier candidates and by-election candidates for members of the NPC Standing Committee to the plenary meeting.

### Reportage on Leaders' Activities at NPC

#### Qiao Shi on Law Enforcement

OW1403152295 Beijing XINHUA in English 1504  
GMT 14 Mar 95

[FBIS Transcribed Text] Beijing, March 14 (XINHUA)—The National People's Congress (NPC) should

step up law enforcement and improve the quality of law making and supervision to meet the needs of the country's reform, opening up and modernization drive, NPC Standing Committee Chairman Qiao Shi said today.

Joining NPC deputies from Shandong Province in discussing the drafting laws on education and the People's Bank of China, Qiao Shi said that different circumstances and conditions in various regions should be taken into consideration in drafting national laws because China is a large country with marked differences between regions.

He said that while the NPC makes national laws easier to enforce for different regions, localities should also formulate regulations and rules in line with their specific conditions.

Qiao, who is also a Standing Committee member of the Political Bureau of the Chinese Communist Party Central Committee, stressed the importance of improving supervision over law enforcement.

He said that people's congress Standing Committees at all levels should try to improve work in this regard according to law.

Qiao also exchanged views with the deputies from Shandong on the report of the work of the NPC Standing Committee delivered by NPC Vice-Chairman Tian Jiyun.

He said the views aired and proposals made by the deputies were conducive to improving the NPC work.

#### Qiao Shi 'Critical' of Li Peng

OW1503132695 Tokyo MAINICHI SHIMBUN in Japanese 15 Mar 95 Morning Edition p 7

[By reporter Koji Uemura]

[FBIS Translated Text] Beijing, 14 Mar—A split seems to be developing in the Chinese leadership over farm issues at the ongoing session of the National People's Congress [NPC]. According to an informed source in Beijing, reports are going around that Qiao Shi, NPC Standing Committee chairman, has tacitly criticized Premier Li Peng. For China, an agricultural country, revamping agriculture is the most important task it faces since this concerns the country's very foundations. The emerging split may hold great significance for the country, which is entering the "post-Deng Xiaoping" era.

At a subcommittee meeting on 6 March, Qiao gave a speech in which he stressed reform, saying: "Have no fear of risks." According to officials concerned, Qiao made critical remarks about the government's agricultural policies, saying: "For many years, I have urged that farming be treated with great care. However, even the slightest improvement has not been made."

Currently, Chen Junsheng, state councillor, is in charge of agricultural affairs. He has been considered one of the brain-workers supporting former CPC Central Committee Secretary General Zhao Ziyang, who is a reformist. Chen has managed to keep his post as a state councillor even after Zhao's downfall following the latter's confrontation with Li Peng during the Tiananmen incident (1989).

Traditionally, vice premiers have been in charge of agricultural affairs. However, because Li does not particularly care for Chen, who has been affiliated with Zhao, Chen has been unable to gain the post and the authority which comes with it. As a result, farm reform efforts have continually been delayed. With the NPC now in session, President Jiang Zemin has finally firmed up his intention to promote to vice premier Political Bureau member Jiang Chunyun, who successfully helped promote farming in Shandong Province. President Jiang is currently engaged in the spadework for carrying out his plan.

#### **Jiang Zemin on Modernizing Weapons**

*HK1503061295 Hong Kong SOUTH CHINA MORNING POST in English 15 Mar 95 p 9*

[By Willy Wo-Lap Lam]

[FBIS Transcribed Text] China is modernising its weapons to aid national reunification, President Jiang Zemin said. Mr Jiang stressed a strong People's Liberation Army (PLA) was indispensable for safeguarding the country's territory, airspace, territorial waters, and "oceanic rights and interests," during a speech to army delegates to the National People's Congress.

Military analysts said it was the first time a senior leader had spelt out so clearly the relationship between "army building" and Beijing's policies on Taiwan and on power projection in the Asia-Pacific region.

In a tough warning to Taiwan, Mr Jiang, who is also chairman of the Central Military Commission, pointed out "the Army must make new contributions to national unification." Beijing could not rule out the "military option" against Taipei. And he added: "Once the forces for maintaining national unity have become even stronger, the possibilities for peaceful reunification have become higher." The commission chairman hinted the PLA could be used against foreign powers who wanted to aid Taiwan independence.

Analysts said while Mr Jiang was also in charge of Taiwan affairs, it was rare for him to dwell on the two subjects at length in the same speech. They added it was also the first time that Mr Jiang had underscored the importance of protecting "oceanic rights and interests."

Army sources said the commission was in the process of finalising the Army's Ninth Five-Year Plan which runs to the year 2000.

During talks with military chiefs, Mr Jiang had indicated he would accede to their demands for more funds for research and development.

In his speech, Mr Jiang said the army leadership would aim for a "better synthesis" between well-trained personnel and sophisticated weapons. "Military equipment has a very important function in modern warfare. We must gradually improve it in a planned manner and according to priority," he stressed.

He warned the officers and soldiers, however, that while defence would be continually strengthened, the Army must self-consciously obey the requirements of the entire nation. Diplomatic analysts pointed out Mr Jiang's speech was in response to reports that Taiwan had boosted its army budget to finance hardware, including the purchase of American-made Patriot missiles.

Meanwhile, the China News Service yesterday quoted Army congress delegates as highlighting the symbiotic relationship between the Army and the nation. "While the reform and open-door policy has pushed forward national modernisation, it has created opportunities for raising the quality of army construction," a delegate said.

Other army delegates stressed the importance of the PLA observing the "absolute leadership" of the party. They also vowed to help maintain the "authority of the central party leadership."

#### **Wu Bangguo Stresses Macroeconomic Control**

*HK1403133995 Hong Kong WEN WEI PO in Chinese 10 Mar 95 p a5*

[By reporter team from Beijing: "Wu Bangguo on Economic Situation"]

[FBIS Translated Text] Beijing, 9 March (WEN WEI PO)—Today, Wu Bangguo, member of the CPC Central Political Bureau and Central Secretariat, expressed his opinion on how to correctly view the current economic situation when attending a discussion meeting of the Shanghai delegation to the National People's Congress.

Wu Bangguo said: It should be affirmed that the objectives of macroeconomic control were achieved successfully last year. In addition to the price index, which rose at a rate much higher than the planned target, currency was issued according to the plan; the size of loans did not exceed the set limit; the financial deficit was reduced by 3 billion yuan; the increase rate of the scale of capital construction was lowered by 30 percent, as compared with the previous year; and foreign exchange reserve reached \$55 billion. It was a rather good situation at a time when reforms were being carried out in the financial and taxation system and in the foreign exchange system.

When talking about the issue of keeping this year's inflation rate within 15 percent, Wu Bangguo said: The central leadership has promised not to adopt a major

price adjustment policy this year. Of course, it is still necessary to adjust the prices of some products, such as cotton and chemical fertilizer. The target for the inflation rate was originally set at 10 percent, and it was fixed at 13 percent at the central economic work conference. Now it has finally been set at 15 percent. This is based on a good deal of investigation and research.

Wu Bangguo said: When assessing the economic situation, we should not merely look at difficulties such as inflation and the problems with the state-owned enterprises; instead, we should view the situation from a dialectic and all-sided point of view.

When talking about the problems with state-owned enterprises, Wu Bangguo said that practice has shown that the difficulties in China's state-owned economic sector were not caused by the ownership system but were caused by the inflexible management mechanisms and the heavy burdens left from the past.

#### Zou Jiahua Joins Sichuan Discussion

HK1503140795 Chengdu Sichuan People's Radio Network in Mandarin 2300 GMT 7 Mar 95

[FBIS Translated Text] When attending the discussion of the Sichuan delegation of deputies to the National People's Congress [NPC] on 6 March, Zou Jiahua, deputy to the NPC, member of the Political Bureau of the CPC Central Committee, and vice premier of the State Council, said: We should follow the laws governing economic development, protect, guide, and bring the enthusiasm of the masses of cadres and people into play, achieve the sustained, rapid, and healthy development of the economy, and make sure that price increases will drop noticeably.

On the afternoon of 6 March, the delegation continued to discuss Premier Li Peng's government work report. As an NPC deputy from Sichuan, Zou Jiahua discussed the report with other deputies and delivered a speech at the discussion.

When talking about the relationship between economic growth rate and efficiency, Zou Jiahua said: In the last few years, the economy has developed rapidly. This is inseparable from the correct line of the party Central Committee and the enthusiasm of the people of all nationalities throughout the country. To get rid of backwardness as quickly as possible, the masses of people hope that the economy will develop a little faster. This is a matter of course. Nevertheless, it is not sufficient just for us to have enthusiasm; we must also follow the laws governing economic development, act according to our ability, and do everything to the best of our ability.

We must persist in emancipating our minds, seek truth from facts, and protect, guide, and bring the enthusiasm of the masses of cadres and people into play. Through the concerted efforts of the central and local authorities and the masses of people, the enthusiasm of all sides concerned should be brought into full play, and the

development of the central and western regions should be expedited. In working out the Ninth Five-Year Plan, the state should pursue an a favorable policy toward the central and western regions in such areas as industrial policy and the distribution of productive forces so as to gradually narrow the gap of economic development between these regions and the economically developed regions.

When discussing the issue of inflation and price control, Zou Jiahua pointed out: To achieve this year's target of price control, we must vigorously develop agricultural production, increase effective supply, put the scale of capital construction under strict control, have a scientific basis for construction projects, and at the same time, strengthen market and price control. Zou Jiahua pointed out: At present payment delays are serious among enterprises, stockpiled goods are building up, and funds are thus held up in large quantities. These problems should be solved in real earnest. Accelerating the circulation of funds is an important measure to promote economic development and curb inflation. He hoped that all sides concerned would conscientiously study specific methods for implementation.

#### Leaders Deliberate Li Peng's Work Report

OW1403121995 Beijing XINHUA Domestic Service in Chinese 1606 GMT 6 Mar 95

[FBIS Translated Text] Beijing, 6 Mar (XINHUA)—Yesterday afternoon, various delegations attending the Third Session of the Eighth National People's Congress [NPC] began to deliberate Premier Li Peng's government work report. This afternoon, leading comrades including Tian Jiyun, Li Lanqing, Li Tieying, Zou Jiahua, Jiang Chunyun, and Qian Qichen respectively joined the Guizhou, Henan, Jilin, Sichuan, Shandong, and Ningxia delegations in their deliberations.

#### Tian Jiyun Said Poor Areas Should Utilize Their Own Advantages and Narrow Gaps With Developed Areas

While deliberating the government work report with the Guizhou NPC Delegation, Tian Jiyun, member of CPC Central Committee Political Bureau and vice chairman of the NPC Standing Committee, said: Poor areas should utilize their own advantages, tap their potentials, and narrow their gaps with developed areas.

Tian Jiyun said: The central authorities are attaching importance to the tasks of developing the poor areas' economies and narrowing the gaps between coastal and inland regions. We should seize the opportunity, utilize our advantages of having abundant resources and large numbers of workers, and seek new and correct ways to develop the economy so as to catch up with the developed areas.

Tian Jiyun said: As an inland province in west China, Guizhou is populous, has a small territory, and inadequate communications facilities. However, Guizhou has enormous mineral resources including coal, lead, zinc,

aluminium, and mercury, and a considerable industrial foundation. Therefore, its potential for economic progress is very remarkable. He proposed: With inadequate communications facilities, Guizhou should transform its coal resources into electricity which will then be transferred to other localities in south China. Its stock-raising sector should integrate with the processing-industry. Its agricultural and sideline products should be properly processed. To construct infrastructural projects, Guizhou should liberate its mind and attract more foreign funds.

#### **Li Lanqing Said We Should Make Greater Efforts To Restructure the Distribution System**

While deliberating the government work report during a group discussion with the Henan NPC Delegation, Li Lanqing, member of CPC Central Committee Political Bureau and vice premier of the State Council, proposed: In 1995, we should make greater efforts to restructure the distribution system. By rectifying the distribution procedures, we can transform the distribution system restructuring processes into an anti-inflationary device.

Li Lanqing pointed out: To further restructure the distribution system, we should let state cooperatives and enterprises play their roles as major distributing agents. In large and medium cities, where conditions are favorable, we should actively develop chain-businesses whereby producers and vendors are linked up directly. Hence, while reducing the circulation of fake and sub-standard commodities, we can also cut down the number of middlemen, thereby decreasing distribution costs and sales prices. Consequently, we can play an active role in curbing excessive profit-making behaviors in the distribution system.

Commenting on measures to develop agriculture listed in Premier Li Peng's report, Li Lanqing stressed: We should strive to integrate agricultural development with science and education; apply different measures in accordance with local conditions; give appropriate instructions to separate categories; and strive to promote elementary education in rural areas so as to comprehensively improve peasants' mental capacity. He proposed: We should make concerted efforts to properly operate our existing agricultural colleges and universities, and should not open new agricultural schools and colleges. We should also pay attention to properly operating vocational schools in rural areas. Consequently, talented professionals will remain in rural areas, where they will contribute to agricultural development.

#### **Li Tieying Said We Should Carry Out Enterprise Reform in Three Areas**

During the group discussion with the Jilin delegation, Li Tieying, CPC Central Committee Political Bureau member, state councillor, and minister in charge of the State Economic Restructuring Commission, discussed enterprise reform in the following three areas:

1. Reform that aims to develop large enterprises, which will harness their strengths to produce brand-name products, is on the right track. We should harness state-owned enterprises' strengths to develop brand-name products, and form a number of large enterprises that possess ample assets and real strength, and generate large profits and taxes. This is consistent with the law of market economics. In management, we should explore ways to inspire workers' initiative and promote enterprise development during the new period. There is much to be learned from Jilin Chemical Fiber Limited Company's experience.

2. To intensify reform of small state-owned enterprises is not to cast off their burden. The move will not lead to the loss of state-owned enterprises. Instead of promoting privatization, it will promote the preservation and appreciation of the total value of state assets through the circulation and rearrangement of these assets, with a view to finding an effective model for small enterprises that operate under socialist market economic conditions.

3. The establishment of a modern enterprise system is a complicated project. Externally, it should be carried out in conjunction with reform of the social security system, the cultivation of a market system, and the transformation of government functions. It should also be accompanied by efforts to explore ways to effectively reduce enterprises' debts and social burdens. Internally, we should improve basic enterprise management and step up reform of the organizational system.

#### **Zou Jiahua Said We Should Act According to Our Capability in Economic Construction**

This afternoon, Zou Jiahua, CPC Central Committee Political Bureau member and State Council vice premier, participated in the Sichuan delegation's discussion. After hearing deputies' remarks, he said: In economic construction, we should act according to our capability and the law of economic development, and strive to meet the requirements for sustained, rapid, and healthy development.

Zou Jiahua said: The rapid economic development of recent years is inextricably linked with the CPC Central Committee's correct line and the initiative of people of all nationalities across the country. He said: People hope that the economy will develop a little faster because they want to cast off poverty and backwardness at an early date. This is a justified hope that reflects people's valuable initiative in socialist construction. We should correctly guide this initiative in accordance with the law of the economy so that the economy will develop in a healthy manner through the motivation of this initiative. In economic construction, we should combine long-term planning with short-term work, and actively formulate the "Ninth Five-Year Plan" in accordance with the requirements spelled out in Premier Li Peng's "Government Work Report." In arranging for construction projects, we should follow the principle of acting according to our capability.

In closing, Zou Jiahua expressed his views on reining in inflation and quickening the flow of funds.

**Jiang Chunyun Said We Should Strengthen the Weak Agricultural Sector To Serve Overall National Interests**

During the group discussion with the Shandong delegation, Jiang Chunyun, CPC Central Committee Political Bureau and Secretariat member, said: Although the current state of agriculture is good, agriculture remains a weak sector if we compare primary, secondary, and tertiary industries. We should strengthen the weak agricultural sector to serve overall national interests.

Jiang Chunyun said: To expedite agricultural development, we should comprehensively implement the 10 measures outlined in Premier Li Peng's report. At present, we should give prominence to resolving problems in five areas:

The first concerns understanding. We should view and develop agriculture not only from the perspective of the Chinese nation's development but also from the vantage point of the Chinese nation's survival, the national economy, and the people's livelihood. The second concerns input in agriculture. From now on, we should resolve to curtail a number of capital construction projects and devote more funds to agriculture. The third concerns the deepening of agricultural reform. We should maintain the party's basic policy toward rural areas to reassure peasants. The fourth concerns agricultural development through scientific and technological advancement. At present, governments at all levels should pay enough attention to the issue of expanding and augmenting the ranks of scientific and technological personnel in rural areas. The fifth concerns the strengthening of guidance over agriculture. Leaders at all levels should truly give priority to agriculture in economic work. In compliance with General Secretary Jiang Zemin's demand, they should regard agriculture as an important task and develop it accordingly.

In closing, Jiang Chunyun said: As long as we truly implement the policy decisions of the CPC Central Committee and State Council to the letter, a new situation is bound to arise in our country's agriculture and rural economy.

**Qian Qichen Said We Should Create a Good International Environment for Economic Construction**

During the group discussion with the Ningxia delegation, Qian Qichen, CPC Central Committee Political Bureau member and State Council vice premier, said: In dealing with foreign countries, we should uphold our principles, take a flexible approach toward some international conflicts, and create a good international environment for economic construction.

Qian Qichen said: The step that we took last year toward reform was the largest during the past 10 years or so; it was a successful step. Various major reform measures

yielded better-than-expected results, which naturally and inevitably exacted some prices.

Qian Qichen said: To engage in large-scale economic construction in China—a large country with a population of 1.2 billion—we must first resolve agricultural problems to feed the people.

On the current international situation, Qian Qichen said: The external environment for economic construction is very important. Our country's international status has improved significantly since the program of reform and opening up was introduced. China is a vast market with tremendous influence in the world. We should, however, notice that some Western countries are both happy and apprehensive about China's economic development, and they show contradictory and ambivalent feelings. On the one hand, they hate to lose a potentially large market born of China's economic development. On the other hand, they are afraid that China, with a population of 1.2 billion, will become strong. Therefore, some Western countries are adopting a "carrot-and-stick" approach toward China. They do business with China, which they view as a cash cow. At the same time, they find fault with China and impose restrictions on it under various excuses. We should take note that these contradictions and struggles will persist for a long time. We should wage tit-for-tat struggles against them on both fronts. This is called upholding principles and taking a flexible approach.

**Leaders Attend NPC Group Discussions**

*OW1403142195 Beijing XINHUA Domestic Service in Chinese 1426 GMT 8 Mar 95*

[FBIS Translated Text] Beijing, 8 Mar (XINHUA)—Deputies attending the Third Session of the Eighth National People's Congress [NPC] continued their group discussions of Li Peng's government work report today. Leaders of the CPC Central Committee, NPC Standing Committee, and State Council joined the group discussions of various delegations.

Leading comrades who joined the Fujian, Guangdong, Jiangxi, Shanxi, Yunnan, Hainan, Inner Mongolia, Beijing, Sichuan, Hebei, Shandong, Heilongjiang and Ningxia delegations discussing the government work report today were: Tian Jiyun, Li Lanqing, Li Tieying, Zou Jiahua, Jiang Chunyun, Qian Qichen, Wang Hanbin, Ren Jianxin, Chen Muhua, Wang Bingqian, Chi Haotian, Song Jian, Li Guixian, Chen Junsheng, Ismail Amat, and Peng Peiyun.

**Li Lanqing: Three Things Will Remain Unchanged in the Development of Special Economic Zones**

Li Lanqing, member of the Political Bureau of the CPC Central Committee and vice premier, joined the group discussion of the Guangdong delegation. He discussed the policy on building the special economic zones [SEZs] with deputies from Shenzhen, Zhuhai and Shantou SEZs.

A dozen or so deputies from the three SEZs put forward many ideas on the current status of work and the situation of social and economic development in the SEZs and on ways to utilize their new advantages. After carefully listening to their remarks, Li Lanqing said: Development of the SEZs is an integral part of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and a major strategic decision of China's reform and opening up. The SEZs are a huge success; it proves that Comrade Deng Xiaoping's proposal and the CPC Central Committee's plans for building the SEZs are absolutely correct. The many experiences created by the SEZs have greatly helped advance reform and opening up nationwide.

Li Lanqing also said that as for the next step of the SEZs' development, the CPC Central Committee and State Council have laid down the policy of "three unchanges"; that is, the resolve to build SEZs will not change, the central government's policies toward the SEZs will not change, and the function and role of the SEZs in reform and opening up will not change. Comrades in the SEZs must have confidence in this regard, expand their special functions, create new advantages, and promote the development and construction of the SEZs.

Li Lanqing pointed out: To develop new advantages, the SEZs should carry out bold reforms in line with the needs of the socialist market economy and conscientiously explore ways to deepen reforms. He said that the SEZs should energetically readjust their industrial structure, gradually relocate some of their labor-intensive industries that are becoming less competitive to the inland, develop high-tech, capital-intensive industries with a high added value, and service trades. The SEZs must also continue their efforts to build a better and sounder investment environment and to improve the quality of the population through education. In short, our goal is to make the SEZs a greater success and bring about sustained, rapid, and healthy growth [chi xu kuai su jian kang fa zhan 2170 4958 1816 6643 0256 1660 4099 1455] in the SEZs.

#### **Li Tieying: Seize the Opportunity To Reform the Social Security System**

Li Tieying, member of the Political Bureau of the CPC Central Committee, State Councillor, and minister in charge of the State Commission for Economic Restructuring, having joined the group discussion of the Jiangxi delegation, pointed out: While maintaining a sustained, rapid, and healthy growth of the national economy, we should seize the opportunity to reform the social security system. In his government work report, Premier Li Peng discussed ways to reform the social security system, which mainly consists of endowment and unemployment insurance. His observations are incisive and specific and I fully agree with them. We too had a system of social security under the conditions of a planned economy. That system, under which social security was wholly undertaken by the state and enterprises, cannot

meet the needs of a socialist market economy. Moreover, the state and enterprises are not able to continue taking everything on themselves. In line with the needs of the socialist market mechanism, we must incorporate the efficiency principle and labor incentive mechanism into the social security system. The decision of the Third Plenary Session of the 14th CPC Central Committee points out: Expenditures for both old-age pensions and health care insurance should be shared by work units and individuals. This is a principle based on a summing-up of experience at home and abroad and on China's reality. It is an innovation of the system.

Li Tieying said: The social security system is an economic as well as social scheme that directly affects the immediate interests of thousands upon millions of people. It is a huge set of complicated systematic projects that have to be built over years. Therefore, it requires careful study and planning. Interim measures will be needed in the course of implementation; we must also take into account what society and the masses can tolerate. Now is an opportune time; government at all levels must implement this work well.

#### **Zou Jiahua: It Is Necessary To Carry Forward the Spirit of Plain Living and Hard Struggle in Building Socialism**

Zou Jiahua, member of the Political Bureau of the CPC Central Committee and vice premier of the State Council, examined and discussed the government work report with the Shanxi delegation. He stressed that it is necessary to carry forward the spirit of plain living and hard struggle in building socialism.

He said: Shanxi made progress in its work last year because it emancipated its mind and integrated the party's line and policy with Shanxi's actual conditions. Shanxi's economic foundation is inferior to that of the coastal regions. It is my feeling that standards of social conduct are good, the people are upbeat, and construction is advancing apace in Shanxi. As long as the province does solid and diligent work in a down-to-earth manner, Shanxi will reap the fruits of hard work and enjoy a bright future.

Zou Jiahua also commented on agriculture, inflation, and other topics.

#### **Wang Hanbin: It Is Necessary To Speed Up Economic Development of the Minority Nationality Regions**

Wang Hanbin, alternate member of the Political Bureau of the CPC Central Committee and vice chairman of the NPC Standing Committee, pointed out at a group discussion of the Yunnan delegation that it is necessary to redouble our efforts in nationalities work and speed up economic development of the minority nationality regions.

After hearing deputies' views, Wang Hanbin said: The party and government care about and take nationalities work seriously. We must, now and in the future, uphold

the principle of equality, unity and mutual assistance among all nationalities. The key to improving nationalities work lies in accelerating economic development in minority nationality regions. Minority nationality regions have made great strides in various endeavors over the past few years. They are still quite behind the economically developed regions. Inadequate in transport facilities and backward in culture and technology, these regions have yet to take full advantage of their bountiful resources. This situation remains a hindrance to the economic development of minority nationality regions. We must face the difficulties squarely, have confidence, overcome our weaknesses, exploit regional advantages, and work hard to develop and build border regions and promote economic development in minority nationality regions. Wang Hanbin also commented on prices, agriculture, and large and medium-sized enterprises.

**Ren Jianxin: Safeguarding Stability is a Task of Long-term Strategy That Must Be Unremittingly and Earnestly Upheld**

At the Shanxi delegation's discussion on Li Peng government work report today, Ren Jianxin, member of the Secretariat of the CPC Central Committee and secretary of the Central Commission on Politics and Law, said: Safeguarding stability is a task of long-term strategy that must be unremittingly upheld.

He said: The current situation is generally good. However, we must note that public order in some localities is poor and serious criminal activities have increased. The instability factor still exists in society and improper handling of the internal contradictions among people may lead to polarization. We must soberly recognize this fact. He pointed out: Party committees and governments at all levels must continue to attach great importance to this and earnestly tackle the task of safeguarding stability. It is necessary to strictly crack down on criminal activities that seriously harm public order and improve on the poor public order situation in some localities. We must resolutely crack down on and repeatedly check various negative phenomena. We must not sacrifice socialist spiritual civilization for the so-called "getting rich."

Ren Jianxin said: While strengthening the struggle against crimes, we must vigorously promote comprehensive control of public order. It is necessary to further enhance grassroots work and do a good job in building up grassroots party organizations and governments. We must implement strict public control and preventive measures to enhance our control over public order. In particular, we must attach importance to strengthening education on managing the mobile population. We must deepen implementation of leadership responsibility for comprehensive control of public order. We must truly accomplish various measures and create a good social environment for reform, opening up, and economic development.

**Song Jian: Hainan Must Do a Good Job in Agriculture**

While joining the Hainan delegation's discussions, State Councilor Song Jian said: Hainan has developed fairly rapidly in recent years. Its infrastructure construction is improving and its rapid economic growth has attracted local and foreign attention. Even though there are difficulties in the development process, we can definitely build up the Hainan special zone to make it a jewel of China if only we follow the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the principle of not changing the special zone's status, advantages, and policies.

Song Jian pointed out: Hainan possesses rich natural resources and must pay special attention to agricultural development. It holds the balance in agriculture in the country because the basis for cultivating new and excellent strains are all in the province. Hainan must make important contributions to the nation in the future in increasing the production of grains, aquatic products, fruits, and vegetables.

**Li Guixian: The State Is Studying the Issue of Wages for Retired Enterprise Personnel**

At the Beijing delegation's discussion on the government work report, State Councilor Li Guixian pointed out: The labor departments are studying methods for resolving the issue of low wages for retired personnel.

Li Guixian said: The issue of wages for retired enterprise personnel is one of general concern. The central government is very concerned about the life of these people, and state labor departments are undertaking specific studies to find a satisfactory solution for this problem.

**Leading Comrades, Deputies Examine Report**

*OW1403163395 Beijing XINHUA Domestic Service in Chinese 1541 GMT 9 Mar 95*

[FBIS Translated Text] Beijing, 9 Mar (XINHUA)—Leaders of the CPC Central Committee and the State Council today continued to join with all delegations to the Third Session of the Eighth National People's Congress in examining Premier Li Peng's government work report.

Ding Guangen, Tian Jiyun, Li Lanqing, Li Tieying, Zou Jiahua, Wen Jiabao, Wang Hanbin, Ni Zhifu, Lei Jie-qiong, Wang Bingbian, Lu Jiaxi, Chi Haotian, Song Jian, Chen Junsheng, Ismail Amat, Peng Peiyun, Zhang Siqing, and others today went to join delegations from Shaanxi, Sichuan, Tianjin, Guizhou, Jiangsu, Fujian, Hebei, Henan, Anhui, Hubei, Xinjiang, Hainan, and Hubei. They conscientiously listened to deputies' opinions and expressed their views on the current work.

(Subhead) Li Tieying Said: It Is Necessary To Effectively Curb Inflation.

Li Tieying, member of the CPC Central Committee Political Bureau and state councillor, joined Fujian

delegation in examining the report. After hearing deputies' opinions about the excessive increase of commodity prices, he said: The government work report has a realistic analysis of the reasons for price increases. As put forward in the report, the measures for curbing inflation are correct and practical. While strengthening macro-control last year, we accelerated the reform of the macro-control system, which was beneficial to basically solve the deep-seated contradictions in the economic sectors. Meanwhile, macro-control itself is also a type of reform. In a bid to switch from macro-control under the planning economy to a macro-control under the market economy, it is necessary to acquire the ability to push forward the reform in an economic environment that is rather restricted. In the process of macro-control, we should further consolidate and improve the measures for restructuring the macro-control system.

Li Tieying emphatically said: We should conscientiously study the causes of inflation and the law governing economic fluctuation under the condition of a socialist market economy and, with a clear objective in mind, adopt effective countermeasures. We should accelerate the reform of the banking system and diversify various means of credit. Particular efforts should be made to keep the money supply under good control. We should further deepen the reform of circulation system, actively bring into play the role of the state-owned and cooperative circulation enterprises in regulating the market and in stabilizing commodity prices, standardize circulation order, and strengthen the construction of the legal system for the market.

**Zou Jiahua Said: We Must Carry Out Scale-Land Farming on a Voluntary Basis. We Should Not Force the Peasant Households To Do So.**

Zou Jiahua, member of the CPC Central Committee Political Bureau and vice premier, went to join deputies of Jiangsu delegation and heard their opinions about the government work report. On hearing the opinion expressed by some deputies that it is necessary to carry out scale-land farming to expand agricultural production, Zou Jiahua said: It must be carried out on a voluntary basis. Unless peasants are willing to turn their land over, we should by no means force them to.

Zou Jiahua showed his concern for the agricultural production in Jiangsu and asked whether there are good grain and cotton seeds. He also said: From a long-term perspective, it is important to have good strains of seeds. Green revolution and bioengineering projects also have much to do with this. In addition to relying on science and technology, we must pay attention to the training of personnel in a bid to develop agriculture. He said: People are not born to be qualified personnel. They become qualified personnel by training. Therefore, we should attach importance to education.

Zou Jiahua also talked about the importance of agriculture and the dissemination of agricultural technology. He pointed out that, as far as the dissemination of

agricultural technology is concerned, what is important is to be open in our thinking and try to find a suitable way to carry out the work. In our effort to popularize an agricultural technology, it is inappropriate to ask a peasant to pay the fee before such technology produces economic results. Funds are needed in the initial stage of the work to popularize an agricultural technology. Such funds should be supported by governments at all levels or by localities where village and town enterprises enjoy good growth. Agriculture occupies an important position in China's economic development. It is absolutely impossible for China, a country with 1.2 billion population, to rely on foreign countries instead of ourselves in agricultural pursuits. Therefore, the central authorities attach great importance to the production of grain and cotton. One of the important signs for the development of rural economy is the increase of the level of peasants' income. Peasants becoming rich will in turn be beneficial to the promotion of industrial development. In developing the rural economy, we should pay attention to the protection of arable land. Meanwhile, we should attach great importance to increasing per unit area yield and labor productivity.

**Wen Jiabao Said: The Spirit of Hard Struggle Should Be Carried Forward in Poverty-Stricken Areas.**

Wen Jiabao, alternate member of the CPC Central Committee Political Bureau and member of the Secretariat, joined with members of the Guizhou delegation in examining the report. After hearing the opinions expressed by the deputies, he said that poverty-stricken areas should carry forward the spirit of hard struggle. He continued: Since reform and opening up, Guizhou has witnessed tremendous changes. Guizhou also has achieved remarkable results in the work of to shake off poverty. The population of poverty-stricken people was reduced to the current level of 9 million from previous level of 18 million. However, the task of helping the poor remains arduous for Guizhou.

Wen Jiabao said: It is a duty for the party and government to help the people of poverty-stricken areas to shake off poverty and become rich. Party committees and governments at all levels should attach great importance to the work and adopt effective measures to help the people of poverty-stricken areas shake off poverty and become rich. He continued: At present, China still has a population of 80 million poor people. If these people cannot achieve a relatively comfortable standard of living, the national strategic goal of "leading a fairly comfortable life by quadrupling the gross annual value of China's industrial and agricultural production in two decades" will not be realized. He expressed his hopes that, under the leadership of the provincial CPC committee and government, the people in Guizhou will continue to foster faith and an idea of long-term hard struggle, persist in farmland capital construction and other projects so that both production and life conditions in Guizhou can be basically improved.

**Ni Zhifu Said: It Is Important To Have Good Leading Groups If We Want To Run Well State-Owned Enterprises.**

As a member of Hubei delegation, Ni Zhifu, vice chairman of the National People's Congress Standing Committee, expressed his opinions about three problems at the examination meeting of the delegation. The first problem concerns the reform of state-owned enterprises. He said: We should work hard in many aspects if we want to run well state-owned enterprises. One of the important aspects is to solve well the problems of selecting leading groups, particularly plant managers. Facts prove that any well-managed enterprise has a good leading group. When an enterprise does not have a good leading group, it cannot be run well. First, a good plant manager must understand the market and be good at organizing production and business in accordance with the changes in the market. Secondly, he must understand management and attach great importance to the work of absorbing advanced management experiences that are useful to us. Meanwhile, he will not discard our good experiences that have proved to be effective. Third, he must understand other people's feelings. He must know what workers and staff members have in mind. When they encountered practical difficulties, he would try his best to help them solve such problems. Only in this way, workers and staff members will unite and work as one to run the enterprise well. In running socialist enterprises, we must care about the people and rely on them. Leaders are not supposed to be holding themselves aloft and solely responsible for making a decision. Fourth, a leader must play an exemplary role. Ni Zhifu said: If a leader of an enterprise can achieve the four requirements as mentioned above, the number of enterprises suffering from economic losses will be greatly reduced.

Concerning the issues of enhancing product quality and cracking down on fake products, he said: At present, the phenomena of manufacturing and selling sham and shoddy commodities are very grave, seriously disturbing the market order, causing damage to enterprises and broad masses of consumers, and bringing about negative international reactions. These phenomena can mainly be attributed to the following facts: Some administrative and law enforcement departments do not fully observe or strictly enforce the laws. The practice of substituting punishment with fines is fairly universal. Some localities and departments are plagued with protectionism. Some trans-regional cases cannot be dealt with effectively. The fact that some law enforcement departments and personnel abuse rights, play favoritism, and commit irregularities also affects the implementation of law. All these things are harmful to the establishment of the socialist market economy. To solve these problems, we should, in addition to strengthening our legal knowledge, make more efforts to carry out the law in our concrete work. Any illegal and criminal activities, once discovered, will be severely dealt with. This task has great bearing on the smooth establishment and healthy development of the

new system and the interests of the great masses of the people. Therefore, we should pay high attention to it.

Ni Zhifu then talked about the difficulties in the life of some workers and staff members. He said: The key to solving this problem is to continue deepening the reform. Special efforts should be made to assist those difficult enterprises to change their management mechanism, improve internal management, and increase their economic performance by relying scientific and technological progress. We should assist, through various channels, those who are unemployed or laid-off to land another job. Meanwhile, we should accelerate the reform of the social insurance system and establish and implement as soon as possible the minimum-wage system so as to provide a basic guarantee for the life of workers and staff members who face financial difficulties. Leaders at all levels should carry forward the fine tradition of our party and strive to solve problems for the workers and staff members. They should try their best to help them solve concrete difficulties so that they can play a greater role in the socialist modernization drive.

**Chi Haotian Said: It Is Necessary for Armymen and People To Jointly Build Spiritual Civilization Well in the New Period.**

Chi Haotian, member of the Central Military Commission, state councillor and minister of national defense, participated in the discussion of the Anhui delegation. After hearing the deputies' views, he first thanked the Anhui people for their support for building up the national defense. He said: Premier Li Peng emphasized in his report the necessity to "carry out widespread and deep-going activities of supporting the government and cherishing the people, the activities of supporting the army and giving preferential treatment to families of armymen and revolutionary martyrs, and the joint armymen-people effort to build spiritual civilization so as to consolidate army-government and army-people unity." This is an important task which has a bearing on the overall situation of the country's economic construction and defense buildup. Chi Haotian said: Anhui was an old revolutionary base area where armymen and people fought bloody battles together and made great contributions to the liberation of the motherland during the war years. In time of peace, the armymen and the people have been working in unity shoulder to shoulder and have constantly made new achievements in economic development and defense buildup. Especially during the 1991 flood and the 1994 drought in Anhui, the commanders and fighters of the People's Liberation Army units and the officers and men of the armed police units in Anhui worked in close cooperation with local people to combat the natural disasters. Facts prove that the army-government unity and the armymen-people unity are the source of our strength for overcoming difficulties, as well as an important guarantee for our success in all undertakings. At present, we still have many difficulties in economic construction and defense buildup. We should carry forward the glorious traditions of the war

years, follow President Jiang Zemin's proposal for armymen and people to "share weal and woe and link their hearts together," take a further step to ensure soldiers joint efforts to build spiritual civilization well in the new period, and make new contributions to reform, opening up, and modernization.

**Song Jian Said: A Further Step Should Be Taken To Enhance the Role of Agriculture and the Role of Agronomy and Agrotechnology in National Economy.**

Song Jian, state councillor and minister of the State Science and Technology Commission, attended the discussion of the Shaanxi delegation on behalf of Premier Li Peng to hear the deputies' views on the government work report.

After hearing their speeches, Song Jian said: The state's investment in agriculture was insufficient in last several years. The foundation of our agriculture is very fragile, making it difficult for us to resist natural disasters. The 1.2 billion people must be fed; and so, grain production is the most fundamental. The Party Central Committee and the State Council have decided to further enhance the role of agriculture and the role of agronomy and agrotechnology in national economy, increase investment, and make efforts to stabilize the contingent of agricultural scientists and technicians and to improve their working and living conditions. We should step up the research on the basic theories of agronomy and agrotechnology, particularly the basic theories of agriculture-related bio-engineering and genetic engineering. At the same time, we should not relax our efforts in the popularization and application of conventional agrotechnology.

On the construction and development of agricultural science cities, Song Jian said: The state's investment in the Yangling Agricultural Science City was insufficient during the last several years. Some organizations there are having considerable difficulties, and the environment there is not commensurate to an agricultural science city. I greatly support the proposal on the establishment of the Yangling agricultural high-tech demonstration zone. If Yangling can be built well during the ninth five-year-plan period, it will be of great significance to Shaanxi and to the entire northwestern and northern regions of China.

**Chen Junsheng Said: The Key To Building Up Agriculture Lies in Implementation.**

While examining and discussing the government work report with the Hubei delegation, State Councillor Chen Junsheng said: It is essential to implement measures for enhancing agriculture.

Chen Junsheng said: At present, two-thirds of the farmlands nationwide provide only low yields. It is a huge undertaking to solve the food problems of 1.2 billion people. We have only so much farmlands and we have no choice but to raise per-unit output. For this reason, we must upgrade our science and technology. As for the

protection of farmlands, the state has already adopted laws in this regard. The key is to ensure that laws already enacted are observed and that violators are brought to justice.

Chen Junsheng pointed out: We must pay greater attention to flood prevention and embankment along the Chang Jiang, Huang He, and other major rivers, step up anti-flood efforts, and reap a good harvest by resisting natural disasters. Hubei Province had a good harvest last year, and it is hoped that it will make greater contributions this year.

**Peng Peiyun: Family Planning Is a Long-Term Task.**

While examining and discussing the government work report with the Hunan delegation, State Councillor Peng Peiyun commented on family planning work. The government work reports of the last couple of years devoted more attention to social development. We are increasingly aware that only coordinated economic and social development will bring about sustained growth and all-round progress.

Peng Peiyun said: The government work report contains a perceptive account of family planning work. Bringing the rapid population growth under control is a long-term task requiring arduous efforts. The key to success lies in work at the grass-roots level, especially in the countryside. We must help the peasants change their idea of births with patient, meticulous, and painstaking work. To this end, it is necessary to integrate family planning with efforts to help farmers get rid of poverty, develop the economy, and promote civilized, contented families.

She said: Family planning of the floating population involves considerably greater difficulties. The State Family Planning Commission has promulgated a set of administrative regulations for this purpose. The question now is to carry them out in earnest and constantly improve them in light of new circumstances and experiences.

Peng Peiyun fully affirmed the progress Hunan Province has made in family planning work in recent years. She urged Hunan to continue paying close attention to and support family planning work and enhance family planning work and personnel at the grass-roots level.

**Raidi, Norbu Address NPC News Conference on Tibet**

OW1503094695 Beijing XINHUA in English 0835  
GMT 15 Mar 95

[FBIS Transcribed Text] Beijing, March 15 (XINHUA)—The people of all ethnic groups in Tibet are resolutely opposed to any attempt and activity aimed at splitting the motherland, determined to safeguard national unification and ethnic unity.

Officials from the Tibet Autonomous Region reiterated this stand at a press conference held here today at the current session of the Eighth National People's Congress.

After reviewing overall economic and social development in Tibet, Raidi, Chairman of the Standing Committee of the Regional People's Congress, said that the people in Tibet all wish for "stability and prosperity."

Asked about contact between the central government and the Dalai Lama, Raidi said the central government's policy towards the Dalai Lama and his followers remains consistent and explicit. "We hope he will abandon separatism and not engage in separatist activities, put an end to his life in exile and return to contribute to the prosperity and happiness of the Tibetan people," he said, adding that the door for talks remains open.

However, he said, the Dalai Lama's side has laid various kinds of obstacles for talks and since 1993, they stopped contacts with the central government.

It is obvious that the Tibetan people are now living in contentment and happiness, he said. But some people abroad who turn a blind eye to history and reality have a different conclusion of Tibet "because they have different purposes and positions," he said.

Gyaincain Norbu, Chairman of the Tibet people's government, said there was no such a problem as "immigration into Tibet" by the Han people. The population of Tibetans has grown to 2.23 million, accounting for 96.4 percent of the total in the region. The Han people only account for 2.8 percent of the total population in the region.

He also noted that more than 60 percent of the top leading positions at and above the county level are held by Tibetans. He said that in fact the Tibetans are very appreciative of the assistance from the Han people as well as people of other ethnic backgrounds who came to Tibet just to help with its development. They include not only cadres, but also a lot of professionals such as engineers, teachers and medical workers.

The official listed a number of major construction projects being carried out in Tibet to show that the central government and other parts of the country have always given great support to Tibet.

Norbu also noted that the many construction projects in Tibet will not have an adverse effect on the environment. According to recent surveys, the water quality of the region's rivers and lakes has remained at the first-grade standard of the state and the air over in Lhasa, the regional capital, is also at the similar quality level.

The officials also said that the state has put in big investments for the renovation and protection of cultural relics at a great number of monasteries. The biggest was the 55 million yuan renovation project on the Potala Palace in Lhasa which lasted for five years and was completed last year.

Raidi said the regional authorities will vigorously promote Tibetan education and culture, and will "respect

and protect, as we always do, the freedom of religious belief and protect the traditional activities and customs of various religious sects."

### Office Denies Sichuan Governor Met With Deng Xiaoping

*HK1503070995 Hong Kong AFP in English 0646 GMT 15 Mar 95*

[FBIS Transcribed Text] Beijing, March 15 (AFP)—The National People's Congress [NPC] Information Office Wednesday denied a foreign news agency report that the governor of Sichuan Province had recently met with ailing patriarch Deng Xiaoping in Beijing. These reports do not correspond in any way with reality, said an official at the office, set up this year during the annual session of China's Parliament.

Sichuan, in southwest China, is the home province of Deng, 90, whose health has deteriorated over the last few months.

According to the foreign agency, Sichuan Governor Xiao Yang told journalists Tuesday that he recently met Deng—who was recovering from a cold—in Beijing.

The NPC Information Office denied the report, quoting Xiao as saying the opposite—"this time I have not seen Deng Xiaoping but I understood he had caught a cold some time ago but that he had now recovered." The office said Xiao had added "in Deng Xiaoping's family there is a longevity gene and most people in his homeland live for a long time."

The real state of Deng's health remains a mystery and very few people have been allowed to meet him in recent months.

After insisting that Deng was in good health the Chinese authorities were forced to admit at the end of last year that he was "generally in good health for someone of his age."

On Sunday in Copenhagen where he was attending the world summit on social development Prime Minister Li Peng told Indonesian President Suharto that Deng's health was "improving."

But authorities in the Chinese nationalist island of Taiwan said Monday that Deng was in a "critical condition" and that his health was deteriorating rapidly.

### Taiwan Deputies Urge Earlier Ending of Hostilities

*OW1503130795 Beijing XINHUA in English 1258 GMT 15 Mar 95*

[FBIS Transcribed Text] Beijing, March 15 (XINHUA)—Three deputies to the Eighth National People's Congress (NPC), who originated in Taiwan, said that they hope the two sides of the Taiwan Straits will end hostilities as soon as possible.

The three deputies, who are attending the ongoing NPC annual session, also urged the Taiwan authorities to make a positive response to President Jiang Zemin's "eight-point" proposal made during the Spring Festival.

The three deputies are Cai Zimin, chairman of the Taiwan Democratic Self-Government League, Zhang Kehui, president of the All-China Federation of Taiwan Compatriots, and Lin Liyun, vice-chairwoman of the All-China Women's Federation.

Cai Zimin said that to end hostilities between the two sides of the Taiwan Straits is the precondition for the development of the relations between the two sides.

Jiang in his speech proposed that the two sides can, under the principle of one China, hold negotiations and reach agreement to formally end hostilities across the Taiwan Straits and to achieve peaceful reunification of China on a gradual basis.

"Jiang's speech shows the pragmatic attitude and broad-mindedness of the Communist Party of China (CPC)," he said.

He noted that the general public on both sides long for expanding exchanges after more than 30 years of confrontation and separation, adding that to achieve harmony across the Taiwan Straits is in line with the general historical trend and public sentiments.

An end of hostilities will help dispel the worries of some Taiwan compatriots, and it will also enhance economic exchanges between the two sides, thus contributing to common prosperity, he said.

To realize the peaceful reunification of the motherland is a big issue in the overall interest of the Chinese nation, he said, adding that an increase in exchanges would help deepen mutual understanding.

He said that he is anticipating Li Teng-hui's goodwill response to Jiang's speech after a reasonable and prudent analysis of the overall interests of the Chinese nation, the prospects of Taiwan residents and the development of relations across the Taiwan Straits.

Zhang Kehui said that Jiang's speech represents the utmost interests and common wishes of the Chinese people and prepares a good environment for ending hostilities between the two sides and for the peaceful reunification of China.

"Jiang's speech shows that we pin our hopes on the Taiwan people in the course of national reunification," he said. "It shows concern for the Taiwan compatriots as well as understanding and respect for them in living as masters of their destiny."

He too urged the Taiwan authorities to follow the historical trend and public feeling, and contribute to ending hostilities between the two sides through negotiations, plan for national reunification and enforce the plan step by step.

Although both sides have all announced that they have stopped military confrontation, mutual trust can only be strengthened through negotiations and agreements, he said.

Lin Liyun called on Taiwan women to contribute their efforts for national reunification.

"Taiwan women delegates are welcome to attend the nongovernmental forum of the United Nations Fourth World Conference on Women to be held in Beijing in September this year," she said.

In her opinion, contacts and exchanges between women across the Taiwan Straits would help dispel worries, increase common ground, promote the realization of direct shipping and air service, direct postal service and direct trading between the two sides, and help contribute to an earlier end of hostilities.

She said that women across the Taiwan Straits could accomplish a great deal in the course of national reunification.

The vice-chairwoman noted that she found during contacts with Taiwan women that they are very concerned about the reunification of the motherland and she hoped they would take an active part in that great cause.

#### NPC Deputies Examine Government Work Report OW1503114795

[FBIS Editorial Report] PRC central and local media monitored from 6 to 10 March carry reports on National People's Congress (NPC) deputies examining and commenting on the government work report which Chinese Premier Li Peng delivered at the opening session of the Eighth NPC's third session on 5 March, 1995.

Nanjing Jiangsu People's Radio Network in Mandarin at 2306 GMT on 6 March carries a 2.5-minute report in its regular "702 Morning News" program that, while commenting on Li Peng's government report at a group discussion on 6 March, Shen Daren, deputy head of the Jiangsu delegation to the NPC session and chairman of the Jiangsu Provincial People's Congress Standing Committee, lauds Li's report for not evading problems and clearly stating the 1995's objectives and assignments. Commenting on the goal set in Li's report to keep China's commodity price rises to under 15 percent in 1995, Shen says that "it will be a very difficult task, and a great deal of meticulous efforts have to be made." Shen adds that the 1995 priorities should be: 1) Curbing inflation; 2) promoting agricultural production; and 3) restructuring state-owned enterprises. Shen reports that while only 9.18 percent of Jiangsu's enterprises are state-owned, these enterprises account for nearly 39 percent of the amount of taxes and profits the province delivers to the state.

Shanghai People's Radio Network in Mandarin at 2300 GMT on 6 March, in its regular "990 morning news" program, carries two recorded reports filed by network

correspondent Zhu Mei in Beijing on Shanghai's NPC deputies commenting on Li Peng's government work report.

The first report, 3.5 minutes long, cites remarks by Huang Ju, secretary of the Shanghai Municipal Party Committee, about how he and other comrades of Shanghai's party and government authorities took part in revising the draft of Li's government report. Huang says that, from the final version of Li's government report, he can see that the report has incorporated Shanghai's suggestions and views.

The second report, 2.5 minutes long, cites remarks made by Shanghai Mayor Xu Kuangdi at a group discussion on 6 March about rejuvenating the large- and medium-sized state enterprises. Xu maintains that enterprises' performances are not determined by whether they are state-owned or privately owned. Xu recalls a recent conversation with U.S. Energy Secretary O'Leary in Shanghai that, while 12 percent of Shanghai's state-owned enterprises were losing money in 1994, eight percent of the U.S. private businesses were also losing money in that year. Xu says he told the U.S. secretary that he believes state-owned enterprises can be rejuvenated through reform.

Beijing XINHUA Domestic Service in Chinese at 0751 GMT on 7 March transmits a 708-character report about NPC deputies from Yunnan commenting on Li's government work report in which Li says that central and western parts of China should promote their economic development through maximizing their own strengths in order to narrow the gap between themselves and the economically developed areas. The report cites Yunnan Governor He Zhiqiang as saying that, "as long as Yunnan gives full rein to its resources, and the state supports Yunnan in terms of industrial policy and allotment of productive forces, Yunnan has high hopes for ending its economic backwardness."

The report also cites remarks by Yunnan Provincial Party Committee Secretary Pu Chaozhu about certain abnormalities in Yunnan, such as the large number of poor counties in Yunnan and the misuse of the timber resources in the province. According to Pu, to boost its economic growth, Yunnan must: 1) increase investment in building up infrastructure in central and western Yunnan; 2) aid the impoverished minority areas and promote their educational development; and 3) establish mining and timber industries, as well as animal husbandry, to tap the resources in the province's mountainous areas.

Beijing Central People's Radio Network in Mandarin at 0300 GMT on 9 March carries a one-line report saying: "Tian Jiyun, NPC Standing Committee vice chairman, visited the Sichuan delegation on the morning of 9 March and joined the deputies of the delegation in examining the government work report." The report carries no other details of the examination.

Beijing XINHUA Domestic Service in Chinese at 0838 GMT on 9 March transmits a 2,840-character feature story about NPC deputies' comments on the phenomenal economic growth in the Zhujiang delta, the delta areas in eastern and southern Fujian, the Chang Jiang delta, the Shandong peninsula, and the Liaodong peninsula. The report says that, while these areas account for only five percent of the nation's land size, they account for 25 percent of the nation's GDP.

According to the report, the NPC deputies coming from those five areas unanimously maintain that, "instead of chasing after immediate benefits, attention should be directed to expanding the capacity for future long-term economic development by building a strong foundation for economic progress." Then the report cites deputies' remarks about the development of air, land, and sea communications networks in these five areas. The feature story also cites deputies' remarks and some statistics to indicate the importance of opening up to the outside world, using foreign and overseas capital, improving the investment environment, and establishing export-oriented industries.

Hangzhou Zhejiang Provincial People's Radio Network in Mandarin at 1000 GMT on 9 March transmits a 2.5-minute report by network correspondent Lu Dingyan from Beijing. The report says that Railways Minister Han Zhubing joined the delegation of Zhejiang deputies on 9 March to hear their views about the development of railway transportation services in Zhejiang. The report says Zhejiang Governor Wan Xueyan, Wenzhou Mayor Chen Wenxian, and Hangzhou Mayor Wang Youmin briefed Han on Zhejiang's railway construction, as well as the financial problems encountered in the construction of the Jinhua-Wenzhou Railway. According to the report, Minister Han told the deputies that, as a shareholder of the railway, the Railways Ministry will provide "all-out support" for the railway's construction. Han said that the initial fund of 30 million yuan would be immediately available. Han also disclosed at the meeting that the construction of the Wenzhou-Fuzhou Railway has been listed in the state's ninth five-year plan.

Hefei Anhui Provincial People's Radio Network in Mandarin at 1100 GMT on 10 March transmits a 2.5-minute report filed by ANHUI RIBAO reporter Liu Yaxun and Anhui People's Radio Network reporter Ma Debin in Beijing saying that NPC deputies from Anhui have been discussing the restructuring of state-owned enterprises—an important topic discussed in Li Peng's government report. The report cites remarks by Anhui Vice Governor Wang Yang as saying that, to restructure state-owned enterprises, the state must increase its investment in upgrading the technology of state-owned enterprises, especially those which are operating in the red; liquidate state-owned enterprises' debts; permit problem-ridden enterprises to activate the use of unused assets; and establish operating mechanisms that link the benefits of enterprises' leading authorities and those of workers.

The report also cites Xiang Ming, vice chairman of the Anhui Provincial People's Congress Standing Committee, as saying that, to restructure Anhui's state-owned enterprises, the problems caused by these enterprises' debts, support for public welfare services, and heavy financial burdens must be addressed; and that these enterprises must be given a free hand to revitalize their operations.

Beijing Central People's Radio Network in Mandarin on 0800 GMT on 11 March, in its special program devoted to the Third Session of the "two meetings"—referring to the Eighth Chinese People's Political Consultative Conference (CPPCC) National Committee and the Third Session of the Eighth NPC—transmits a 5.5-minute recorded talk by Yunnan Governor He Zhiqiang on the need to assist the development in central and western Yunnan so that the gap between them and the economically developed areas can be narrowed.

The same program also transmits a 3.5-minute report by Central People's Radio Network reporter Wang Zhiyong and Hebei Provincial People's Radio Network reporters Lin Hui and Meng Hongran about NPC deputies from Hebei examining Li Peng's government work report on 9 March. According to the report, some deputies from Hebei maintain that, without the additional agricultural investment, as Premier Li has pledged in his government work report, Hebei may not be able to attain its goal of producing 10 billion jin (yi bai yi jin) of grain by the end of this century.

The report also features a letter written by a farmer-turned cable plant manager in Hebei and read by Hebei Governor Ye Liansong, about the plant's pledge to donate 2 million yuan for the establishment of an agricultural fund for supporting agricultural production.

#### Ministers Discuss Education Issues With Media

OW1403133195 Beijing XINHUA in English 1313  
GMT 14 Mar 95

[FBIS Transcribed Text] Beijing, March 14 (XINHUA)—Zhu Kaixuan, Minister in charge of the State Education Commission, today answered questions concerning compulsory education, investment in education, collection of fees on noncompulsory educational services and the default of teachers' wages in some areas.

Talking to Chinese and foreign reporters at the press center, he said that China gives top priority to making compulsory education universal in rural areas and elimination of illiteracy in improving the overall quality of the Chinese citizens, and focuses its attention on rural education.

He said that 98 percent of the school-age children in China are at school, with a drop-out rate of two percent. But the average drop-out rate in the countryside is three percent, he added.

He revealed that by the year 2000, China will largely eliminate illiteracy among adults aged 15-45 in areas where 90 percent of all rural residents live, bringing down the average illiteracy rate to below five percent.

Asked about investment in education, the minister said that the Chinese Government has done everything within its power to increase educational input. "But we do have difficulties in increasing educational expenditures because the State Education Commission is responsible for educating the 250 million Chinese children and youth," he added.

In his annual report on China's budget, Finance Minister Liu Zhongli said that expenditures for education will total 86.7 billion yuan in 1995, up 13 percent over the previous year.

The amount of spending on education by various government departments usually ranges from 20 to 30 percent of the budgeted expenditures for education.

Minister Zhu said that local governments will also appropriate funds for education and various social sectors are being encouraged to raise money for education to help alleviate funding shortages.

"The draft Education Law, which has just been submitted to the National People's Congress for deliberation, contains specific provisions in this regard," he said.

Asked about noncompulsory educational services, such as the collection of fees on university education, he said that this new reform measure will help alleviate government financial burdens and spur the students to study conscientiously as well.

The collection of fees on noncompulsory educational services accounts for only 10 to 20 percent of educational costs, or 1,000 to 1,500 yuan.

As for students from financially difficult families, universities and colleges have introduced the scholarship and student loan systems.

With regard to students from extremely difficult families, who account for five to 10 percent of university and college students, the government assists them by giving them special allowances.

Although expenditures for education can meet the needs of educational development, no schools or institutions of higher learning may collect illicit fees or illegally raise money under whatever pretexts, Minister Zhu said.

He revealed that the State Education Commission has set up a group to halt the collection of illicit fees, with Liu Bin, vice-minister of the commission, serving as the head.

Asked about the default of teachers' wages in some areas, he said that the problem is due primarily to a big increase in the wages of primary and middle school teachers, with the increase totaling 10 billion yuan.

The defaulted wages are mostly the increased part of their wages, he explained.

He said that to date, 90 percent of defaulted wages have been paid and the rest will be paid soon.

**Minister Says Policy on Studying Abroad Remains Unchanged**

*HK1503060595 Beijing ZHONGGUO XINWEN SHE in English 1244 GMT 14 Mar 95*

[FBIS Transcribed Text] Beijing, March 14 (CNS)—The policy on studying abroad will remain unchanged, according to the Minister of the State Education Commission, Mr. Zhu Kaixuan. The Chinese government's policy will continue to uphold studying abroad, while encouraging the return of students and their freedom to come and go.

Mr. Zhu made the remark at a press conference held today, in the press centre for the current session of the Eighth National People's Congress and the session of the Chinese People's Political Consultative Conference. He said that policy on studying abroad at one's own expense was in a sense, a much more open practice than before. Qualified students can apply for their studying abroad at their own expense.

The Chinese official pointed out that the so-called "immigration policy" adopted by some developed Western countries to absorb talented persons, worried China. The sending of students overseas to study is mainly aimed at gaining advanced scientific and technological knowledge, management experience and excellent cultural achievements accumulated in foreign countries, with the eventual aim of such students serving China. Such "immigration policy" is in no way beneficial for further implementation of China's policy on going abroad for study.

Some 220,000 Chinese students have gone to 103 countries and regions for study since 1978, half of them studying at the expense of public funds, and the rest at their own expense. Incomplete statistics showed that to date, 75,000 students have returned from their study abroad and are now serving the motherland in sectors such as scientific research and economic construction. China also received some 70,000 foreign students from 149 countries and hired 40,000 foreign teachers as well as scholars and experts from some 40 countries and regions for full-time posts or visiting lectures.

The dispatch of students overseas for study and its management, according to Mr. Zhu, will be improved. China will further broaden the exchange of students with foreign countries, strive hard to seek subsidy and cooperation to support China's educational undertakings, and expand international academic exchange and cooperation.

**NPC Deputies Propose Making Law on Euthanasia**

*OW1403152095 Beijing XINHUA in English 1435 GMT 14 Mar 95*

[FBIS Transcribed Text] Beijing, March 14 (XINHUA)—More than 30 deputies to the National People's Congress (NPC) from Beijing City, Hunan and Fujian provinces have proposed that a law be made on euthanasia, or painless and happy death.

The proposal said that on a legal basis, technically advanced hospitals in cities where conditions permit can perform euthanasia on patients in order to alleviate sufferings by patients and their relatives and safeguard the dignity of life.

This is the second motion on euthanasia received by the NPC since the second session of the Eighth NPC last year.

The motion said euthanasia should be approved by at least two experts and those who use euthanasia to end life should be patients diagnosed with incurable diseases.

Euthanasia can only be adopted at hospitals after patients voluntarily ask for this and their relatives approve it with documents notarized by legal agencies, the motion said.

Hu Yamei, honorary president of the Beijing Children's Hospital, who is among the deputies who made the proposal, said the use of euthanasia is mainly based on humanitarianism.

Yan Renying, another motion maker and professor of the Beijing Medical Sciences University, said the use of euthanasia means a change in human view on life and death.

Hu is 72 years old and Yan 82 years old. Among the motion makers are some young people including Zhang Zhanying, a farmer deputy.

According to China's traditional concepts, the body, hair and skin are all given by the parents and, therefore, they can not be destroyed at will.

Euthanasia is likely to be regarded as betraying the tradition and may cause resentment from those who advocate that a bad life is better than a happy death, Hu Yamei said.

Euthanasia was introduced into China in the 1980s. The appearance of the aging problem and the rocketing medical expenditures have prompted more people to pay attention to the issue.

Recently the Beijing radio station and TV station have launched hot line programs related to the issue, which got many citizens involved in heated discussions.

Beijing citizen Guo Chao wrote a letter to Hu in favor of painless, happy death. In the letter he said, "life is

different in terms of the quality of materials, spirit and ethics... If euthanasia is adopted, I will be among the first to apply for it."

Gu Jun, a retired official and a Communist Party member, said in his letter, "This (euthanasia) is quite necessary for some old people in an aging country."

Deng Yingchao, widow of late Premier Zhou Enlai, was also in favor of euthanasia when she was alive, according to Hu.

Last year a large hospital in Beijing declared to the press it is willing to be the first to perform euthanasia on its patients when conditions are ripe.

Yu Xiaoliang, a medical professor from Hunan Province, said that in China those who have asked for euthanasia are mostly cancer patients at advanced stage and relatives of patients with dead brain.

The biggest obstacle to the use of euthanasia is the lack of legal basis. Last year the Ningling county court in Henan Province issued a ruling on an alleged euthanasia case. A farmer was convicted for helping his wife who suffered liver cancer at advanced stage to end her life. There are still disputes on the case.

Another problem is the traditional moral concepts and the issues concerning modern medical ethics, and medical technical difficulty including failure to reach a medical judgement on death.

#### Deputies Urge Efforts To Improve Financial Macro-Control

OW1403152195 Beijing XINHUA in English 1444  
GMT 14 Mar 95

[FBIS Transcribed Text] Beijing, March 14 (XINHUA)—A number of deputies attending the ongoing annual session of the National People's Congress (NPC) have urged that efforts be made to halt a drop in the ratio of government revenues to China's Gross Domestic Product (GDP).

They agreed that despite successes in the financial and taxation reforms carried out last year, the central government still has financial difficulties and a heavy debt burden, thus being unable to exercise effective macroeconomic control.

Tian Chengping, governor of northwest China's Qinghai Province, said that the inadequate capabilities of the government to exercise such control are detrimental to the improvement in the pattern of the income distribution and the narrowing of economic gaps between various areas.

Statistics released by the Ministry of Finance showed that in 1994, the country's financial revenues soared by 19.2 percent, but its deficit came to 63.8 billion yuan.

Financial revenues are targeted to shoot up 9.9 percent this year, while the deficit is budgeted at 66.7 billion yuan.

Huang Da, member of the Financial and Economic Committee of the NPC, said that state financial revenues accounted for 26.1 percent of the GDP (the value of goods and services produced) in 1978.

But the ratio plummeted to 11.8 percent in 1994, or a drop of 14.3 percentage points in 17 years' time, he added.

He said, "The ratio of 11.8 percent is just a half or one-third of that in major developed countries. As a result, the Chinese Government lacks necessary financial capabilities to effectively exercise macroeconomic control."

Pan Xincheng, vice-governor of east China's Fujian Province, noted that in the first distribution of the GDP, the relations between the state, collectives and individuals are "irrational."

Individual incomes plus funds for consumption account for 70 percent of the GDP. "I think this distribution pattern cannot last long," he said.

The budgeted deficit in 1995 and the deficits in the previous two years add up to 100 billion yuan. "This state of affairs is worrying. In the country's long-term interests, I propose increasing the proportion of state revenues in the GDP," he said.

Huang Da noted that in drawing up the Ninth Five-Year Plan (1996- 2000) and long-term development plans, the government should attach utmost importance to the role of financial revenues in regulating the economic activity and take effective measures to increase the ratio of such revenues to the GDP.

He also proposed that the government should formulate a bill to reverse the drop in the ratio.

He said, "The government should also try to check the drop in the ratio in 1996, begin to score a rise from 1998 and make sure that the ratio will rise to around 15 percent during the Tenth Five-Year Plan (2001-2005)."

#### Deputies Urge Early Publication of Supervision Law

OW1503034795 Beijing XINHUA in English 0244  
GMT 15 Mar 95

[FBIS Transcribed Text] Beijing, March 15 (XINHUA)—Deputies to the Eighth National People's Conference are calling for an early publication of a law on supervision, which they regard as a forceful weapon to strengthen the country's law enforcement.

Failures in law enforcement have been frequent in some areas, and this has caught the attention of the law-makers attending the current session of the Eighth NPC.

Wang Yu, a member of the NPC Standing Committee, said that reformative measures in different places should be carried out within the scope of law. He expressed his worries that some people are attempting to use the loopholes of law to make gain for individuals or collectives.

Wang, vice-chairman of the Standing Committee of the People's Congress of the Ningxia Hui Autonomous Region, said that the socialist market economy is a legally protected economy. Any kind of reform must be in accord with law and be carried out under the supervision by law.

Drafting the supervision law has already been listed on the work agenda of the Standing Committee of the NPC, according to Vice-Chairman Tian Jiyun.

He Shengzao, also a deputy from Ningxia, said that the major reason for law negligence and loose implementation of laws is the lack of a supervisory system and an imperfect legal system.

The existing legislative, administrative, judicial and media systems do have supervisory stipulations, they said. However, they appear to be weak in the fight against fraud and corruption.

There were also cases that supervisory departments found no laws to guide their work while they handle specific cases.

Ma Sizhong, Chairman of the Ningxia Regional People's Congress Standing Committee, said that the law on supervision has become specially important and people's congress Standing Committees at all places should work hard to supervise law enforcement by local governments and should examine the handling of major criminal cases.

#### NPC Deputies View Price Controls, Tianjin's Success

OW1503035595 Beijing XINHUA in English 0231  
GMT 15 Mar 95

[FBIS Transcribed Text] Beijing, March 15 (XINHUA)—Chinese Premier Li Peng urged local governments at all levels to attach top importance to stabilizing commodity prices and keep price hike at 15 percent this year.

Local governments are asked to enhance administration of markets and prices and guarantee the supply of commodities, especially agricultural products, ensuring their purchasing and shipping, to timely make adjustments. A good job in all this will have a great impact on the price level of a locality.

Deputies attending the on-going Third Session of the Eighth National People's Congress see the importance of such efforts from developments in Tianjin and Chongqing cities with regard to price control.

In July last year, the retail price index in Chongqing, a city with four million urban residents in southwest China's Sichuan Province, topped all 35 large cities of the country. The residents showed resentment.

At the same time, however, Tianjin, a port city with an urban population of five million in north China, ranked 32nd in its price level and its residents were fairly happy.

Analysing the reason for its success, Tianjin Mayor Zhang Lichang told his story in price control.

He said that the city had lifted control over the prices of 97 percent of the consumer goods, but the city government retained strength to make proper adjustments over prices.

Its macro-control efforts covered three aspects: first, it strictly controlled the level of prices and charges for the small amount of commodities and services still under the State pricing system; second, it exercised proper guidance over the prices of grain, edible oil, meat, vegetables and other commodities connected with people's daily life and production; and third, it allowed the market to adjust the prices of those commodities which recorded a favorable balance between their supply and demand.

Zhang said that the city set up 88 price monitoring stations to constantly follow market changes. When the prices rose too high, the municipal financial bureau would use a government fund to purchase goods and sell them at moderate prices to achieve a balance between supply and demand and beat down price hikes.

The mayor said that the condition for curbing the price hike was that the government should be able to organize efficient supplies.

To guarantee vegetable supply, the municipal government allocates 100 million yuan every year to reinforce vegetable production bases. The vegetable acreage has been kept at 15,000 hectares.

In contrast, Chongqing city cut 2,000 hectares from its 6,600 hectares of vegetable farmland for the construction of development zones.

Chongqing also lifted its control over prices, and at the beginning of last year, the commodity price administration departments of the city maintained that it should allow the market to regulate all prices and it completely washed its hand with regard to matters involving commodity marketing.

As a result, the city lost control over the prices and the prices rose sharply.

Yu Hanqing, chairman of the Standing Committee of the People's Congress of Chongqing city, realized that after price-control is lifted, the government still has to implement flexible and appropriate administration over the market to guarantee smooth commodity circulation.

To curb the price hike last year, Chongqing city government later had to draw on its risk fund and its meat reserves, and purchase vegetables from other areas to prevent losses for its producers and consumers.

The city had to re-issue coupons to guarantee the supply of grain, edible oil and meat for the residents.

Drawing lessons from last year's price hike, Chongqing added 4,000 hectares of vegetable land in the suburbs of the city.

The city government also plans to build more vegetable wholesale markets and increase the risk fund and grain, edible oil and meat reserves.

The city bureau for commodity price administration will set price ceilings for some essential commodities. It can be expected that price growth in the city will be cut drastically this year.

#### Deputies Discuss Draft Central Bank Law's Benefits

OW1503041695 Beijing XINHUA in English 0338  
GMT 15 Mar 95

[FBIS Transcribed Text] Beijing, March 15 (XINHUA)—A banker said here today that the formulation of China's first law on the central bank marks the ending of an era and means that the central bank will no longer serve as an open money-locker for the government.

The remark was made by Cai Lulun, a deputy to the National People's Congress (NPC) and governor of the Hunan Provincial Branch of the People's Bank of China, the country's central bank.

The draft Law on the People's Bank of China is now being deliberated by deputies attending the current NPC annual session.

The draft law defines the central bank's independence in implementing monetary policies, namely, independent of other government departments at the central level and independent of local governments and enterprises at the local level.

Cai said, "This is the maximum independence that the central bank can enjoy under the current political structure. This kind of law-protected relative independence will enable the central bank to bring into full play its role in regulating relations between various economic sectors."

"Relative independence" mentioned by him means that the central bank is not independent of the State Council, China's highest administrative body.

The Chinese government hopes to build up a powerful central bank and enable it to serve as a stabilizer in promoting the growth of an increasingly marketized economy.

Now that financial revenues of the central government cannot play an effective role in macro-economic control, finance has become an important means for the central government to exercise such control.

That is why a fundamental change has been made in the objective of the central bank's monetary policy, a change from "assisting economic development and maintaining the stability of the currency's value" to "maintaining the stability of the currency's value with which to promote economic development" as provided for by the draft law.

Zhao Haikuan, a professor at the Financial Research Institute of the People's Bank of China, said the change demonstrates that the government has come to understand that the stability of the currency's value is "essential" to sustained economic growth.

"It also indicates that the People's Bank of China is moving closer to standards for a central bank under conditions of a market economy," he noted.

The central bank's efforts to standardize itself also find expression in formulating tools for the monetary policy. The draft law defines six tools to execute the monetary policy: control of bank reserve ratios; fixing interest rates; providing rediscount windows; lending to commercial banks; dealing in government bonds and foreign exchange, and other instruments to be defined by the State Council.

Zhao, who is a member of the National Committee of the Chinese People's Political Consultative Conference, said that the definition of the first five tools "shows the tendency of the central bank towards further restructuring, which is significant to the reform of the financial system as a whole."

"Other instruments to be defined by the State Council" are characterized heavily by administrative control, he said, adding that the control over the lending scale is the most evident.

"I think this stipulation is added because China currently does not have the micro-economic basis on which economic means are effective enough in exercising macro-control," he explained.

What he referred to means the State-owned banks that have not achieved commercial operation and large numbers of loss-making State enterprises and State enterprises that have not introduced a modern enterprise system.

Following the rectification of the financial order in 1993, China's central bank has abandoned the business of extending special policy-oriented loans, and profit-oriented commercial lending and investment.

Meanwhile, it has shifted its attention to the control over currency issue and credits, as well as to the supervision of financial institutions.

Wei Shenghong, director of the Laws and Regulations Department of the People's Bank of China, said, "These reform measures have been included in the draft law so that they will become more effective."

NPC deputies agreed that the implementation of the law on the central bank requires a sound basis for commercial banks and modern enterprises making quick responses to macro-economic control exercised by the central bank.

It is, therefore, necessary to formulate a law on commercial banks and to speed up the reform of state enterprises, they noted.

A number of deputies also pointed out that some stipulations in the draft law still have the vestiges of a planned economy.

Zhao Haikuan, who participated in formulating and revising the draft law, said, "This is an 'open-end' law. Although its framework is compatible with internationally accepted practices, the law will possibly be revised and supplemented with the deepening of various reforms."

#### **Education Minister Criticizes 'Elite Schools'**

HK1503052095 Hong Kong SOUTH CHINA MORNING POST in English 15 Mar 95 p 8

[By Daniel Kwan in Beijing]

[FBIS Transcribed Text] China's education minister yesterday blasted the so-called elite schools saying they had no place in the socialist education system.

In a wide-ranging press conference organised by the National People's Congress, Zhu Kaixuan, head of the State Education Commission, said Marxism and Mao Zedong Thought would continue for a long time to be the guiding light for educationists.

Although China allows private education, Mr Zhu said the government would not allow schools to charge "exorbitant fees" and offer their students "a luxurious way of life." Most of these elite schools are in Guangdong Province and some charged up to 500,000 yuan (HK\$458,500) in admission fees.

Mr Zhu declined to say whether these schools would be closed down but he said the government would order them to "immediately stop such practices" and "guide them onto the right track." He said school fees charged by schools in China should be no more than 20 percent of their education costs. The State Education Commission has set up a special taskforce to investigate the problem of "exorbitant fees" headed by Vice Director Liu Bun.

Although China provides nine years of free education, many primary and middle schools have begun to collect fees from the students. Mr Zhu said many of these fees were in fact administrative charges passed on by the

governments. He pointed out that under the new Education Law which is to be passed by the congress later this week, schools can refuse to pay these administration charges.

Speaking at the same conference, Mr Liu said the taskforce would call a national telephone conference at the end of this month to study the problems.

Although Mr Zhu said China would continue education exchanges with foreign countries, he stressed that the government would not abandon the "socialist characteristics" of its education system. He rejected a suggestion that China should copy the experience from Taiwan and said the standard of education in most developed cities in China was highly regarded by foreign educationists.

"There are many common laws in education in different countries and we can learn from each other," said Mr Zhu. "But there can be no doubt that we won't abolish Marxism or communist teachings in our curriculum. On the contrary, we would only strengthen them."

But he admitted that due to poor facilities and a lack of resources, the level of education in rural parts of the country remained inadequate. Illiteracy remains a serious problem, with as many as 3 percent of the children in the countryside still unable to go to school. Meanwhile, Mr Zhu said local governments in rural areas had difficulty paying teachers' wages last year.

But he said it was because the Government had adjusted the salaries for teachers. The increase alone, according to Mr Zhu, amounted to more than 10 billion yuan last year. "What happened was many of these governments could only afford to pay the basic wages but did not have money to pay for the increases. I am confident that with the passage of the Education Law this year, this problem can eventually be solved," Mr Zhu said.

Although Mr Zhu said China would not change its policy of sending students abroad for studies, he expressed concern that some foreign governments had used their immigration policies to persuade talented Chinese students to stay after completing their studies. He said only 75,000 of the 220,000 Chinese students who had left for overseas studies returned after graduation.

#### **Tibet NPC Deputies Discuss Economy**

OW1503064295 Lhasa Tibet Television Network in Mandarin 1200 GMT 9 Mar 95

[Announcer-read report over video entitled: "Tibet NPC (National People's Congress) deputies attending the current session of the National People's Congress hold a panel discussion on how to speed up economic construction and to strengthen agricultural capital construction in Tibet"—date not given; from the "Regional News Hookup" program]

[FBIS Translated Text] In his speech, Gyaincain Norbu, NPC deputy and chairman of the Tibet Autonomous

Region, said: Accelerating economic development constitutes the fundamental interest of Tibet. This year, Tibet's economic growth rate will be set at 10 percent. In line with the reality in the region, this is fairly appropriate figure. In accordance with this growth rate, the gross regional product will reach 4.64 billion yuan this year, an increase of 8.6 percent over 1994. Although there is pressure on this growth rate, there are many favorable conditions. Particularly, the concern of the central authorities and the vigorous support from the people of all circles in China have created a very favorable external environment for us. In such a favorable environment, we are confident of fulfilling this growth rate and target. [Video opens with a shot of the panel discussion in progress and then zooms in close-up on leaders present at the meeting, which include Hu Jintao, Gyaincain Norbu, Raidi, and other unidentified deputies]

Discussing measures to check inflation, Gyaincain Norbu said: Tibet's total supply has long been insufficient. Basically, our consumer goods depend on shipments from the hinterland. It is a very difficult job to bring commodity prices down to a noticeable level. However, despite the difficulty, we will undertake this job. We will adopt strong measures to strengthen our ability to regulate and control prices.

Gyaincain Norbu stressed: We will unremittingly launch a struggle against splittism to safeguard Tibet's long-term stability. Without stability, it is pointless to talk about anything. Great changes have taken place in Tibet in the past few decades. It is known by all that this is due to the concern of the central authorities and the vigorous support from the people of all circles in the country. The party central committee's preferential policies and flexible measures toward Tibet have won high praise and strong support from people of all nationalities in Tibet. Maintaining stability in Tibet accords with the will of the people. We are confident of winning a victory in the struggle against splittism. If the Dalai group continues to stick to their position of splitting the motherland, they will certainly fail.

In his speech, Luosang Gyaincain, NPC deputy and administrative commissioner of Nagu Prefecture, said: In his report, Premier Li Peng stressed the importance of strengthening farming capital construction. To expand animal husbandry production, Nagu Prefecture, as an animal husbandry production base of the autonomous region, will increase investment in this sector. It will set up a network of scientific institutions to promote the development of animal husbandry and improve processing technologies for animal products. In the past two years, we have conducted feasibility studies on the comprehensive grassland and animal husbandry development project for northern Tibet, which is aimed at modernizing the traditional method of livestock breeding, raising our ability to prevent and resist disasters, and raising the people's living standards.

In his speech, Xiangba Pingcuo, NPC deputy and administrative commissioner of Shannan Prefecture, said: In his report, Premier Li Peng put forward ten measures for promoting all-around development of the agricultural economy. These measures are entirely in line with the reality in Tibet because they deal with the key links of economic development in the present stage. At present, Tibet's agriculture is still very much a single-product economy. There is great potential in Shannan Prefecture for developing the fodder processing industry, animal husbandry in farming areas, and vegetable production. We will concentrate on production in these areas to promote all-around development of the agricultural economy.

### Military Deputies Stress Loyalty to Party

HK1503071395 Beijing ZHONGGUO XINWEN SHE  
in English 1246 GMT 14 Mar 95

[FBIS Transcribed Text] Beijing, March 14 (CNS)—Deputies from the People's Liberation Army (PLA) at the Third session of the Eighth National People's Congress (NPC) expressing views on administration of the military, said that the PLA had already reached consensus within the ranks to observe the national interests and serve state economic buildup.

Speaking during a deliberation on the government work report, the military deputies pointed out that economic construction was closely related to the overall national interests while construction of the national defence was just a part and the status held by these two sections was in no way confused.

The NPC deputies from the military stressed the safeguarding of authority of the Central Committee of Communist Party of China (CPC). They were convinced that it was a traditional political principle and virtue that the lower level had to be subordinate to the higher level, and the entire party to the central committee of CPC. Some other military deputies noted that submission of the military to the party turned out to be the sound tradition held by the PLA.

The deputies added that further reform in an intensive way could not do without vigorous measures and such measures could not work without a powerful and authoritative central CPC committee.

### Hainan 'Unhappy' With Changes in Preferential Treatment

HK1503081695 Hong Kong HSIN PAO in Chinese 9 Mar 95 p 14

[Report by Tan Chieh-hua (6223 3381 5478) from Beijing: "Hainan Unhappy To See Reduction in Preferential Treatment for Special Zone; Shortage of Funds Responsible for Slow Development of Yangpu Zone"]

[FBIS Translated Text] Hainan Governor Ruan Chongwu said that the central authorities issued many

documents last year in order to implement macroregulation and control, to the extent of weakening the preferential treatment originally granted to Hainan, and causing a very tight supply of circulation funds in the province. Within the province, the development of the Yangpu Development Zone, which has funds from Kumagai Gumi (Hong Kong) Limited and other investors, also was affected, and supervision over customs service on the second front was not strict, to the extent of affecting foreign firms' return on investment.

Vice Premier Li Lanqing reiterated, however, that the central authorities affirm the achievements made by the special zone, and will uphold the special zone policy. He added that when efforts are made to run the special zone well, attention also should be paid to the blind pursuit of development in some localities; the failure to consider local conditions; and the change of farmland for other uses, thus affecting agricultural development.

Song Jian, who attended the session of Hainan delegation to the National People's Congress [NPC], also agreed that the central authorities remain unchanged regarding the goal and policy of running special economic zones, and that Hainan should submit a report to the State Council within an appropriate period of time to seek confirmation of the validity of the documents granting Hainan the preferential treatment for a special zone.

Song Jian added that Hainan's situation is different from other special zones, and that generally speaking, the central authorities demand that when the local government of a special zone passes laws, these laws cannot contradict those promulgated by the State Council, but that Hainan is exempt from this requirement.

At yesterday's meeting of the Hainan NPC delegation, Governor Ruan Chongwu pointed out that the biggest problem facing Hainan at present is that it feels the central authorities have changed the policy toward the special zone. At present, many documents must be examined and approved by the central authorities, and this shows that Hainan's power to decide on the quota scale at its own discretion—a preferential treatment granted to it by Documents Nos. 24 and 26, which were issued by the central authorities in the past—now has been weakened.

Citing chemical fertilizer as an example, he said that Documents Nos. 24 and 26 had granted Hainan the right to import chemical fertilizer, but since last year the province has had to ask for a quota from the central authorities. Hainan is different from other provinces, however, because it uses most chemical fertilizers in winter, and the result is that after a long wait, the quota has not been granted, and a large amount of farmland in the province has been wasted. At present, the price of chemical fertilizer in the province already has increased 100 percent, reaching 2,400 yuan per tonne, and peasants have a heavy burden. For this reason, he hoped the central authorities would refrain from taking back the

power to import chemical fertilizers, as well as other preferential treatments originally granted to Hainan.

Regarding the Yangpu Development Zone, the developers—led by Kumagai Gumi—already have invested more than 3 billion Hong Kong dollars in the project, built more than 10 km of roads, and established a power plant capable of generating 300,000 kilowatts.

The original plan, however, was to strictly manage the second front in the Yangpu Zone; consequently, Yangpu was unable to give play to its strong point as a bonded zone. At present, the wire along the second front in Yangpu has broken, and the bonded zone is not very different from other places in the province.

He hoped that the customs department can exercise stricter management along the second front, and really implement the policy granted to Yangpu Development Zone. He thought that the investments made by foreign firms in the zone are very large, and their interests cannot but be taken care of.

He said that Hainan has a very tight supply of funds at present. The macroregulation and control last year cooled down real estate throughout the province, and income from real estate throughout the province was zero, whereas in Haikou it was a 9 percent negative growth. Banks provide very little financing for projects in Hainan, and have many restrictions too. In addition, the original plan of allowing Hainan to try out a pilot project to attract foreign funds has changed. At present, tight regulations on examining and approving foreign banks have not been lifted, and a foreign-invested bank recently was asked to withdraw, making the financial situation in the province not very good.

#### Guangdong Governor Denies Hindering Central Decrees

HK1503083095 Hong Kong LIEN HO PAO in Chinese  
9 Mar 95 p 10

[Report by reporter Yang Ching-chi (2799 3237 1142) from Beijing: "Zhu Senlin Denies Saying That Central Government Decrees Have Not Been Smoothly Implemented in Guangdong"]

[FBIS Translated Text] Yesterday, Guangdong Governor Zhu Senlin denied that central government decrees have not been implemented smoothly in his province, and said that the CPC has completed the handover of power and the transition from the second- to the third-generation leading core.

During an interview with the media, Zhu Senlin said that Guangdong is an important province on the mainland, that central government decrees have been thoroughly and seriously implemented in Guangdong, and that Guangdong has earnestly implemented various reform measures adopted by the central government. For example, Guangdong has implemented resolutely the revenue-sharing system; however, Zhu also said: Of

course, during implementation, actual conditions should be taken into account, and methods and measures should proceed from Guangdong's reality.

Regarding the issue of the handover of power on the mainland from leader to leader, Zhu Senlin said that the CPC has completed the handover of power and the transition from the second- to the third-generation leading core. The leadership of the CPC Central Committee, which has Jiang Zemin as the core, is strong and is supported by the mainland people, thus they will better adhere to the road of building socialism with Chinese characteristics, which was proposed by Deng Xiaoping. Guangdong also will go down this road because it suits China's actual conditions and accords with the people's wish.

Zhu Senlin once again denied that Shenzhen will be upgraded as a provincial-level municipality directly under the central government. He said that it was a rumor, and that when there is a rumor someone will believe it. According to the analysis by informed sources in Beijing, only when the conflicts between the central authorities and Guangdong tend to intensify, will the central authorities try to pull Shenzhen over to their side in order to weaken Guangdong, and thus upgrade Shenzhen to a provincial-level municipality directly under the central authorities. Judged from Shenzhen's urban construction and industrial pattern at this time, it is far from having the conditions for a provincial-level municipality.

When making a speech at a session of the provincial delegation, Guangdong Party Secretary Xie Fei said that for Guangdong's economic development to scale new heights, it has to properly handle eight relations, such as those between speed and efficiency, relations among the three industries, relations among economic zones of different types, and relations between external and internal development.

#### Draft Law 'Crucial' for Standardized Financial System

OW1403164295 Beijing XINHUA in English 1607  
GMT 14 Mar 95

[FBIS Transcribed Text] Beijing, March 14 (XINHUA)—The Draft Law on the People's Bank of China is under deliberation by deputies at the Third Session of the Eighth National People's Congress after many revisions are made, and this is widely believed to be a crucial step in China's endeavor to set up a standardized financial system.

Major progress has been achieved in the reform of the financial system, but the People's Bank of China, the central bank, confronted numerous difficulties in formulating and enforcing monetary policies due to the lack of a legal guarantee.

Commercial banks have taken shape in 1994, but there is no substantial breakthrough in their operations. The

separation of policy-related credits from commercial credits was only in name, and commercial banks could not operate in accordance with market mechanisms.

In monetary policy, the central bank faces a two-pronged difficulty: to maintain the stability of the value of the RMB [renminbi] and curb double-digit inflation recorded in two consecutive years, it has to tighten money supply, and to keep the many loss-making state-owned enterprises running and prevent a large amount of workers from losing jobs, it has to ensure loans for such enterprises.

In fact, the central bank serves a contradictory role in this, and this role is important from both aspects in the macroeconomic policy.

The draft central bank law has drawn attention from the legislature, the administrative bodies and the financial sector, with their focus being put on the independence of monetary policies.

After three rounds of deliberations and revisions by the NPC Standing Committee, it was again tabled with the NPC annual session. And people from all sides approach it with caution.

The draft law provides that the goal of the monetary policy of the central bank is to "maintain the stability of the value of the RMB and thereby promote economic growth," and it is free from interference by local governments, organizations and individuals.

Observers say that the stipulations of the two-way goal of the monetary policy will result in difficulty in the exercise of its duty. But in view of the order of priority, the stability of currency is regarded as the basis for economic growth. And this can be taken as a signal that China's financial system is on the way to toward internationally accepted practices.

The central bank has also been adopting successful experience from western countries in its routine operations. After it re-adjusted interest rates of loans for financial bodies, financial officials said more indirect means will be adopted this year.

Observers note that China is in a crucial stage in forming a market economic structure after 16 years of gradual reforms. The financial reform and the restructuring of state-owned enterprises are two major steps. They restrict each other and also promote each other.

#### Deputy Urges Setting Up Joint-Venture Bank

HK1503103595 Beijing ZHONGGUO XINWEN SHE  
in Chinese 0538 GMT 9 Mar 95

[By reporter Yu Donghui (0151 2639 2547)]

[FBIS Translated Text] Beijing, 9 Mar (ZHONGGUO XINWEN SHE)—At a group discussion of the Shanghai National People's Congress [NPC] delegation, Liu Jin-bao, NPC deputy and Shanghai branch president of the

Bank of China, proposed setting up a mainland-Taiwan nongovernmental joint-venture bank in Hong Kong, taking this as a point of breakthrough in cross-strait banking cooperation.

In an exclusive interview with this reporter, Liu Jinbao expounded the main points of his idea in concrete terms:

- A bank should be chosen from the Bank of China group in Hong Kong to initiate the establishment of a nongovernmental joint-venture bank with Taiwan-funded banks.
- The form of organization can be either an equity joint-venture bank or a joint-stock limited company registered in Hong Kong.
- The bank would adopt the business operation mode of an ordinary commercial bank, with both parties contributing capital in Hong Kong or U.S. dollars.
- The bank would include in its business scope the provision of financing, money remittance, settlement, and other banking business for cross-strait trade and investment exchanges as well as nongovernmental economic exchanges, and at the same time, carry out business as an international commercial bank.

According to Liu, this idea is economically feasible.

He pointed out: The building up of banking cooperation between the two shores can lay a foundation for the "three exchanges" and exchanges on a wider scope.

#### State Bank New Loan Scale To Reach 570 Billion Yuan

HK1503103495 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1016 GMT 6 Mar 95

[By reporter Shi Qingbin (2457 3237 1755): "The State Bank's New Loan Scale Reaches 570 Billion Yuan This Year"]

[FBIS Translated Text] Beijing, 6 Mar (ZHONGGUO TONGXUN SHE)—Chen Jinhua, minister of the State Planning Commission, said that the state bank's new loan scale this year will increase 18 percent over last year, to 570 billion yuan; and that the increase is smaller than those in the past several years, to accommodate the need to curb inflation and respond to the actual situation whereby large amounts of loans are already in the possession of various quarters.

At the Third Session of the Eighth National People's Congress today, Chen Jinhua delivered a report on the draft of the social development plan and said that last year the central bank strengthened its role as the sole agency for implementing monetary policy, strictly controlled the total quantity of loans, strengthened supervision over various kinds of financial organizations, better controlled the scale of credit and issuance of paper money, scored positive results in strengthening cash management, and further improved the financial order.

In the whole year, urban and rural residents' savings deposits increased by 631.5 billion yuan.

Chen Jinhua said that this year China should continue to properly manage issuance of paper money and the loan scale, maintain the steady increase in savings deposits made by residents, continue to optimize the loan structure, guarantee funds for key projects, expedite circulation of funds, and improve the returns on use of capital.

He said that as far as the whole society is concerned, the total quantity of funds is not too low. The crucial work to do is to adjust the loan structure, enable reserve funds to flow, and expedite circulation of funds. So long as the work in this area scores solid results, the contradictions from mutually outstanding payments among enterprises themselves can be settled step by step.

#### State Enterprises Urged To Be Creative in Reform

OW1503131895 Beijing XINHUA in English 1244  
GMT 15 Mar 95

[FBIS Transcribed Text] Beijing, March 15 (XINHUA)—State-owned enterprises should not stick to a monotonous mode of reform and they should be encouraged to conduct creative exploration according to their local conditions.

China has more than 100,000 state-owned enterprises, among which 80 percent are small. And now, one-third of these enterprises are in the red and one-third are still energetic.

He Zhukang, secretary of the Jilin Provincial Committee of the Communist Party of China, said that the enterprises' lack of vigor reflects various drawbacks of the planned economy. At present, it is difficult to find out one way suitable for the reform of all the enterprises.

Premier Li Peng's government work report delivered at the current session encourages state-owned enterprises to make "bold exploration in both theory and practice."

Information brought in by the NPC deputies from across the country show that various kinds of reform have been tested in different areas.

The restructuring of assets is one of the noticeable methods. Some state enterprises of different ownerships and in different areas have been reorganized or merged.

It has been reported that a number of large state-run enterprises in Shenyang, a heavy industrial base and capital of northeast China's Liaoning Province, have formed into five enterprise groups, engaged in pharmaceuticals, machine building, power transmission and automobile industry. Each group has realized an annual output value of more than 3 billion yuan.

During the past couple of years, eight enterprises under the administration of the city government of Siping in Jilin Province were merged into the city's three leading state-owned enterprises. The new enterprises soon

gained vigor as the formerly shelved equipment of the eight was brought to life after the injection of the technology and funds of big enterprises.

Shanghai Mayor Xu Kuangdi, who attended the CPPCC meeting as a nonvoting member, said that about 10 enterprise groups, each with an annual sales volume of 20 to 30 billion yuan, are expected to be formed in the city by the end of this century.

Wang Huabin, Director of the Economic and Trade Commission of Dalian City in Liaoning Province, said that it has become a new trend for maximizing the allocation of production means through enterprise restructuring.

He noted the merging and reorganization of enterprises can help make the stagnant capital circulate, reduce the number of the jobless and promote the transfer of enterprise mechanisms.

The No. 1 Auto Group in Changchun in northeast China's Jilin Province, the largest one of China, recently spent 560 million yuan buying the shares of Jinbei Automobile Company in Shenyang, Liaoning Province.

Geng Zhaojie, general manager of the No. 1 Auto Group and also a NPC deputy, said that by purchasing the Jinbei Company, the two factories could supplement each other. The No. 1 Auto Group can supply its advanced motors and gearboxes to the Jinbei Company and the latter can supply auto parts to the former.

As the Jinbei Auto Company is listed on the stock markets in China and abroad, the No. 1 Auto Group can raise more capital via the Jinbei.

Using overseas capital to transform enterprises is a universally adopted channel.

Tianjin City plans to transform all its state-owned enterprises by pooling foreign investment in the coming eight years.

Many deputies proposed that more flexible approaches should be applied to the reform of the small-sized state-owned enterprises. Tianjin City carried out reform of such enterprises by using at least 13 methods, including stock holding, leasing, mortgage, contract, auction and merging, according to city officials.

#### **'News Analysis' Views Financial, Monetary Policies**

*OW1503104795 Beijing XINHUA in English 0942  
GMT 15 Mar 95*

[**"News Analysis: Relatively Stringent Financial, Money Policies—Key to Sustained Economic Growth"**]

[**FBIS Transcribed Text**] Beijing, March 15 (XINHUA)—The relatively stringent financial and monetary policies the Chinese government has advanced for this

year are important for the country to bring about a marked drop in price hike and maintain a stable economic growth.

With a record 21.7 percent inflation rate last year and a big potential for sustained economic growth this year, the Chinese government has made this year's economic growth rate at 8-9 percent and price growth at 15 percent as two macro-economic control targets to be approved at the current session of the National People's Congress (NPC).

It is a unanimous view among officials, particularly economic officials, attending the on-going annual session of the NPC and the annual session of the Chinese People's Political Consultative Conference (CPPCC) National Committee which closed yesterday that the relatively stringent financial and monetary policies are an inevitable choice in order to achieve the overall goal in economic work this year.

Liu Suinian, chairman of the NPC Financial and Economic Committee, pointed out that in order to bring inflation under control, it is imperative to strictly limit the amount of money being put into circulation as well as the credit scale and capital construction scale so that the amounts of money in circulation and financial expenditures will be really tight.

In the budgetary report delivered by Finance Minister Liu Zhongli to the current NPC session, the budgeted financial expenditures this year will increase by 9.3 percent, the lowest in recent years.

The expenditure growth is 0.6 percentage points lower than the growth of revenues, but it is still considered a big drop against the average four percentage point expenditure growth over that of revenues in recent years.

Meanwhile, the central deficits will be no bigger than last year.

In addition, the central bank's money supply growth will be targeted at 23 to 25 percent, about 10 percentage points lower than the actual increase last year. The planned new loans by the State banks will grow by 18 percent, also a lower growth compared with previous years.

Many NPC deputies maintained that with no new price readjustments introduced, tight financial and monetary policies are "hard measures" to beat inflation. The two tight policies should make strict control of growing investment into fixed assets and consumption funds as the major tasks.

Referring to common practice in Western countries of using interest rates to control inflation, Mun Kin-Chok, a CPPCC member and an economics professor in Hong Kong, said this method does not work in China because as the country is in a period of shifting to the market economy, micro conditions are not ripe.

In addition to the danger of high inflation, the snowballing debts have also made the tight policies necessary, and otherwise State finance will face a crisis.

She Guoxin, director of the Financial Department of the Guangxi Zhuang Autonomous Region, said, "The tight policies will not only create a relaxed environment for reform and development, but also, from a long-term point of view, be conducive to reducing deficits and debts and enabling the financial situation to turn for better."

However, judging by the total amounts, financial expenditures and credits will be on the same level of last year. Economists say this is the significance of the "appropriateness" for the tight policies intended to maintain economic growth and avoid a "big rise and fall."

Huang Da, a noted financial expert and president of the People's University of China, said that to strengthen macro-economic control does not simply mean to bring to a halt or institute tight policies for all economic operations.

Liu Baojin, governor of the Bank of China Shanghai Branch, pointed out that tight policies should be appropriate so that the policies will not lead to "depression" as a result of imbalance in economic development and in demand and supply of investment so that a price drop at the expense of development will be avoided.

Officials from the State Statistics Bureau noted that the major factor behind the excessive price hikes is fast economic growth with low quality. The making of the appropriate tight financial and monetary policies is based on such a consideration. The tight policies emphasize structure readjustment instead of reduction in amounts.

A consensus reached at the current NPC session is that the strengthening of agriculture is the fundamental guarantee for inflation control. This year agricultural input and planned bank loans to agriculture are expected to increase by 13.7 percent and 24.6 percent respectively over last year, representing a bigger growth range over the financial expenditures and credit scale.

Investment in capital construction will increase slightly, and basic industries and infrastructures which are considered bottlenecks in economic development will be given top priority in getting investment.

Wang Xiaoyi, an official in charge of money supply in the People's Bank of China, said, "China's economic development is near the peak of a cycle. The central bank's policies are intended to maintain growth at a cautious speed amid a steady slide in order to avoid a re-loosening of control due to the pressures from all sides complaining about fund shortages and to prevent a rebounding when macro-economic control shows signs of success."

Many economists pointed out this year the environment for macro-economic control is hard. However, as this year China will begin to implement the Budget Law and the law on the central bank is expected to be adopted at the current NPC session, the implementation of the relatively stringent policies will face less interference.

#### Commentary Urges New Social Security

OW1503100895 Beijing XINHUA Domestic Service in Chinese 0902 GMT 10 Mar 95

[“Two-Sessions-Related” commentary by reporters Zhang Jinsheng (1728 6930 0524) and Chen Yan (7115 7159): “Install ‘Safety Valve’ on New Structure”]

[FBIS Translated Text] Beijing, 10 Mar (XINHUA)—Today, when our reform has entered a stage of tackling tough problems in an all-around way, people have realized through practice and exploration that the new socialist market economic structure urgently needs a “safety valve” to keep risks at a minimum during the course of tackling tough problems. In other words, it is necessary to institute and keep improving a new social security system so as to create a harmonious and favorable environment for reform.

#### Difficult for Old System To Meet New Situation

Figures show that China's existing social security system lacks vigor and vitality. At present, the amount of funding defrayed by the state and enterprises for several social security items is equivalent to 54 percent of the total spent on workers and staff members' wages, with breakdowns as follows: housing, 22 percent; old-age pension, 20 percent; medical care, 10 percent; unemployment insurance, 1 percent; and work-related injury insurance, 1 percent. The portion defrayed by workers and staff members is 3 percent—old-age pension, 2 percent; and housing, less than 1 percent.

Some deputies to the National People's Congress session have analyzed the drawbacks of China's current social security system, which has been implemented since the fifties. They believe that under the current system, the state and enterprises shoulder too much burden, and the individual's rights are disconnected from their obligations. Since the individuals need not make social security contributions, they lack an awareness of the system and a sense of responsibility, resulting in a tremendous waste in the use of medical care and other funds in the social security program.

Huang Kehua, NPC deputy and Shandong Province finance department director, explained two major drawbacks of the existing social security system. One drawback is its limited coverage, covering only the workers and staff members of state-owned enterprises and some collectively-owned enterprises; while it does not cover the great majority of other working people in urban areas, such as the workers and staff members of joint

ventures, cooperative enterprises, and wholly foreign-owned enterprises, nor does it cover any collectively-owned enterprises below the county level, village and town enterprises, and self-employed people. The other drawback is that various social insurance funds are in the hands and under the control of different departments, the funds are not raised and managed under standard rules, are not being used effectively, and are frequently used for purposes other than social security.

Another manifestation demonstrates the difficulties the existing social security system to adapt itself to the new situation is that its management and services are not sufficiently socialized. In discussing this issue, a deputy from Liaoning pointed out: The management of the existing social insurance business and services related to it are basically the responsibility of enterprises. Although an insurance item in the form of mutual assistance funds has been put into practice as a result of reform over the past few years, enterprises still have to pay insurance premiums. Management and services related to social insurance have not been socialized. Workers still depend excessively on enterprises where they work for such matters as earning a living; old-age care; illness, death, and disability benefits, thus increasing enterprises' economic burden, as well as burdens imposed by society.

The management system is irrational and the development of commercial insurance has been slow. This also shows that the existing security system cannot adapt itself to the new situation. A deputy from Henan said: When social insurance is run by many departments, it is necessary to set up many more organs so as to form a system on their own. This has led to policy inconsistency, overlapping tasks, a rise in cost, and a diversion of funds. At the same time, besides the social insurance under which the state undertakes the final responsibility and guarantees the basic livelihood necessities of workers and staff members, the development of a supplementary commercial individual insurance system has been slow, insulting in outstanding contradictions between the social security funds contributed by various sources and the actual amount needed.

#### New Structure Calls For New System

From their own respective angles, a number of deputies noted that in establishing a new structure, it is necessary to quickly put a new social security system into practice.

Deputy Wang Fengying, a freight worker from Kaifeng Railway Station, said: "Reform of the social security system is a matter workers are most concerned about. If the state has an overall plan to deal with this problem, such a move not only reflects the government's concern for the people, but what is more important, is conducive to social stability and economic development."

Deputy Cheng Dian, Kaifeng's Kongfen Equipment Plant deputy director, discussed his views on this subject from the angle of successfully reforming state-owned enterprises: Establishing a new social security system is

needed in the endeavor to transform the operating mechanisms of state-owned enterprises, set up a modern enterprise system, and readjust the economic structure. The system of combining employment, welfare, and security into one entity has been established in state-owned enterprises for a long time. Of this system, the most important element is employment. Once a person is employed by a state enterprise, he is guaranteed security and welfare benefits, such as an old-age pension, health care, and housing. It is now very difficult to put into practice the method of two-way choices [workers and staff members have the right to quit and enterprises have the right to fire them] in the employment of workers and staff members at enterprises where the transformation of operating mechanisms is being conducted. This is because once a worker or staff member leaves a state-owned enterprise or institution, it means that he or she will lose security and welfare benefits such as housing, health care, and old-age pensions. This is unacceptable to workers and staff members. Similarly, in readjusting their product mix and their industrial and economic setups through such means as declaring bankruptcy, merging with other enterprises, auctioning, forming lateral associations, and organizing enterprise groups, enterprises are usually confronted with the problem of resettling surplus personnel and other problems related to social security. Therefore, unless reform of the social security system is accelerated, this issue will hamper the reform aimed at setting up a modern enterprise system.

Reforming the social security system is also needed so that state-owned enterprises can participate in market competition on an equal footing. Some enterprise deputies from Shandong said with deep feeling: Compared with joint ventures, cooperative enterprises, and exclusively owned enterprises, and with village and township enterprises, state-owned enterprises are confronted with difficulties such as a large number of retirees and a heavy burden imposed by society, and it is obvious that state enterprises are at a disadvantage when competing in the market. It requires that we accelerate reform of the social security system and lighten their burden imposed by society, for example, through the establishment of a social old-age pension insurance system and the introduction of community services and socialized management to help retirees. On the other hand, a new employment system must be urgently adopted if an enterprise wishes to strengthen its ability to compete in the market. Reforming the social security system is one of the prerequisites for the formation of a labor market.

Concentrating on the general task of the party and the whole country, NPC deputies have become aware that establishing a better social security system is needed to maintain social stability and promote sustained, rapid, and healthy development of the national economy. In recent years, the proportion of staff members and workers of enterprises from the private sector to the total

work force has risen markedly. If their rights and interests in the areas of old-age pensions, health care, industrial injury insurance, and unemployment are not guaranteed, it is possible that this issue will probably constitute a latent social problem. In a sense, the social security system is a "safety valve" for society and a "stabilizer" for economic development. By rationally readjusting enterprises' burden proportions, it can reduce the economy's "temperature" when it is "overheated," and can promote economic growth when the economy "is going downhill."

#### It Is Necessary To Embody Chinese Characteristics

To establish a new social security system in China, it is necessary to embody Chinese characteristics. The views of the deputies are identical on this point. The content of Chinese characteristics may be epitomized as follows: Funds should come from various channels; security should be offered at many levels; there should be relative balance between rights and obligations; and management and services should be socialized.

First of all, the level of social security should be compatible with the level of development of the productive forces in China. Proceeding from the basic national conditions—that the level of productive forces is low in China, China has a huge population, and the number of old-age people is increasing—we should take into account what the state, the enterprises, and the individuals can tolerate. Some deputies have suggested that a legal social insurance system should be forcefully implemented through the process of state legislation. Units and individuals are obliged to pay insurance premiums. Under the prerequisite of carrying out their prescribed obligations, workers have the right to enjoy the benefit offered by social security. We should, through reform, constantly enhance workers' and staff members' awareness of protecting themselves and enhance the enthusiasm of enterprises and individuals to participate in insurance.

Another aspect of the social security system with Chinese characteristics is the integration of fairness and effectiveness. Social relief, special care to disabled servicemen and to family members of revolutionary martyrs and servicemen, and some social welfare undertakings should be fair, and the government should be mainly responsible for this. Funds in these areas may be used without compensation provided all the qualifications are met. To improve the efficiency of social insurance, the individuals, the enterprises, and the state should share the burden in this area. While the basic living conditions of staff members and workers must be guaranteed, how they enjoy social insurance should be linked to the amount of premiums they pay, for this will stimulate their work enthusiasm. Housing should be commercialized or socialized, and the government should render support for the construction of economical and practical housing.

The deputies proposed that the basic policy and structure of the new social security system should be unified

and its management should be legalized so that the operation of the new system can be carried out on a legal basis.

#### CPPCC

##### 'Text' of Li Ruihuan Speech on Hong Kong

HK1403153295 Hong Kong WEN WEI PO in Chinese  
14 Mar 95 p B5

[“Full text” of speech by Li Ruihuan, standing committee member of the Political Bureau of the Communist Party Central Committee and chairman of the Chinese Communist Party Political Consultative Conference (CPPCC) National Committee, delivered at a panel meeting of Hong Kong and Macao CPPCC members in Beijing on 13 March; “dispatch” by staff correspondent group: “The Full Text of Li Ruihuan’s Speech to the Hong Kong CPPCC Panel”]

[FBIS Translated Text] Beijing, 13 March—I am here today primarily to pay you a visit and to listen to your views. The views you have just put forward will be consolidated and processed with all due respect. Some of the views will be presented to the concerned departments for consultations with a view to finding a solution, and those which concern policymaking will be reported to leading comrades. We will treat your views seriously.

Member Cao Qizhen has just said that Beijing has spent more time watching Hong Kong and has said very little about Macao. I hope this has not given the impression that we have not said much about Macao because it had not stirred up much trouble. Most recently, I have heard an observation from Henry Fok, vice chairman of the Chinese People's Political Consultative Conference [CPPCC], which has been echoed by friends of mine: That Hong Kong people are concerned—or nervous, uncertain, and worried—about the post- 1997 era. I do not know the views of the panel members here, but I have received many visitors from Hong Kong who have discussed this problem from a variety of perspectives.

It is very difficult for me to make promises concerning this problem every time it is brought up, for example, telling you that you need not worry—it is not easy to put things so simply. On the other hand, I cannot say that you should worry a little bit, since this matter is so fraught with uncertainty. But whatever answer I may give, over time a thought has taken shape in my mind: Everybody is concerned about post-1997 Hong Kong. I think this is a normal phenomenon and a quite understandable state of mind. I once told a friend of mine: Five years ago, or even earlier, could we have imagined that Guangdong would have gone as far as it has today and that China could have formulated the opening-up policy that we are witnessing today? Many people would have doubted whether this would be possible. But today, despite the many problems brought by opening up, people do not need to be convinced of the merits of the following points: Deregulate further; be more flexible; do

not be too rigid in administration; and fully exploit Hong Kong's role in promoting China's cause of reform and opening up as a whole. With many things, advance propaganda and explanations are indeed important, but, we went too far with propaganda in the past. Too much propaganda and explanation has side effects. For example, people outside have the perception that too many commercials may indicate poor sales—why else are they putting out so many commercials? That explains why it is difficult for me to offer concrete solutions for this problem. All I can say is that I understand there is such a problem. Nevertheless, today, when there are only 841 days left before the return of Hong Kong to China, I offer to you, after much soul searching, three highly abstract and principled, but very important concepts on how we should look at the return of Hong Kong and the problem of its stability and prosperity after 1997.

#### **The Return of Hong Kong Is a Glorious Chapter in History**

One, we must appreciate fully the significance of the return of Hong Kong. That may sound bland, but I feel it is important. Taking back Hong Kong is a glorious event in history. I trust that all the gentlemen on this panel know that this chapter of Chinese history, in which China was bullied by imperialism and gradually turned into a semi-colonial and semi-feudal society, began with the cession of Hong Kong required by the Nanjing Treaty as a result of the 1840 Opium War. After that, imperialist powers competed with one other in the armed invasion of China. Modern Chinese history is filled with narratives like the following: Our people were killed, our wealth plundered, our lands occupied, and spheres of influence built and divided on our national soil. Does it go too far to say that the cession of Hong Kong was the beginning of a chapter of slow decline and humiliation for China, which in the end became a land carved up among powers? The cession of Hong Kong became an inescapable bane plaguing the hearts and minds of generations of Chinese. Of course, we can argue that the cession of Hong Kong and China's slow decline prompted the Chinese people to continuously resist imperialism. After all, famous persons in Chinese modern history, such as Lin Zexu, Hong Xiuquan, Kang Youwei, and Sun Yat-sen, and the Chinese people shed their blood and sacrificed themselves one after another for none other than the cause of national revival and unification. They paid dearly for it. The sacrifice made by the Chinese people for the unification of the motherland and territorial integrity was unprecedented, with tens of millions killed. The fact that tens of millions were killed for the independence of the motherland and the fearless revolutionary spirit for the cause of the motherland are indeed epochal events. We all know that Tan Sitong of the 1898 Reform Movement refused to flee arrest because he knew "reform requires blood to benefit the country's long-term cause." Without bloodshed, the country would stay in bad shape. Therefore, let me sacrifice myself first—this is the true spirit of the saying "it does not matter if they send me to the gallows, as long

as the cause I uphold is genuine." But for the struggle of generations of these revolutionary martyrs and, of course, the continual growth of national strength in every way after the establishment of the new China, the British would not have been willing to hand over Hong Kong so meekly. All these factors have played a role in ensuring Hong Kong's return to China. Hong Kong is going to revert to China in this generation. This is a major and highly significant event in Chinese history; it will also be a very important one in world history.

After the reversion of Hong Kong, we will have avenged the wrongs committed against our ancestors; we can console their spirits in high heavens and teach our descendants to learn from this lesson that China must be strong or she will be bullied, beaten up, occupied, and carved up. The lesson the Chinese draw from the cession and the return of Hong Kong will be profound and historically significant. Therefore, the significance of the return of Hong Kong must be appreciated on a historical plane. The return concerns the fall and rise of China over the last 150 years or so of modern history and the stature of 1.2 billion Chinese nationals and Chinese people throughout the world. The Chinese people must carry themselves with dignity.

Of course, taking Hong Kong back is an unusually complicated job. It will be a major turning point in history. There will be many issues and many difficulties. We do not have experience in numerous jobs. We are all anxious and concerned, but do not know how to deal with them. Therefore, it is inevitable that we fail to manage some things appropriately and well. It is also inevitable that some people will not be used to that and will not adjust. It is even inevitable that some will possibly have to pay a price or suffer losses. But when we know that, from then on, Hong Kong will be free from colonial rule and will return to the motherland and that Hong Kong citizens will no longer have to be inferior second-class citizens but will become masters of the country, we should be exceedingly proud, unusually happy, and exceedingly delighted. We should unite with an attitude of being responsible for the motherland and for history and properly tackle the various problems involved in our regaining Hong Kong. Everyone should be of one mind, should properly do this major job, should receive Hong Kong smoothly, and should keep it stable and prosperous. What I mean when I make these remarks is that, if we do not interpret things from this angle, we will be unable to give clear answers to many questions. If so, we will be unclear about whether there are additional questions. It does not mean that, when I say this, we do not care about anything. But, viewed from this angle, one's psychology can be easily balanced.

#### **Ruling Hong Kong Well Has Major Significance**

Second, taking Hong Kong back is a big event in history. Ruling Hong Kong well concerns the image of the Chinese nation. How are we going to maintain Hong Kong's important status as a world financial and trading

center, make it more prosperous, and enable it to play a bigger role in China's opening to the outside world? This is not only a question of concern to the Hong Kong compatriots, but also a question of great concern to the entire Chinese people. Will Hong Kong be ruled well? This question not only concerns the interests of the Hong Kong compatriots, Hong Kong itself, and the spirit of China's reform and opening up and economic development, but, most importantly, it concerns how the whole world looks at our nation.....how capable are the Chinese? Frankly speaking, some people are now watching us with skepticism to see how we will answer this question. Some people hope that we can administer Hong Kong's affairs well. There are certainly some who are ready to laugh at us, saying that they have long predicted that the Chinese cannot rule properly. Therefore, as Chinese, we must deal with this question very seriously. With the spirit of being highly responsible for the motherland, for the nation, and for history, we must be determined and make great efforts to maintain Hong Kong's long-term stability and prosperity and thus demonstrate once again to the whole world the wisdom and talent of the Chinese nation. We Chinese can exercise good administration. After the British have left, we will continue to govern the same way, and we will do it very well. I think we should be confident. In the past, Comrade Xiaoping told the Hong Kong people: "You should believe that the Chinese in Hong Kong can administer Hong Kong well. The lack of belief in the ability of the Chinese to rule Hong Kong properly is a thought left over from old colonialist traditions." In fact, it is mainly the Hong Kong people themselves, not the British, who have made Hong Kong what it is today. Back home, the British do not govern themselves very well. Britain's status in Europe, its finances, and its trade situation are not very good. Therefore, regarding a successful Hong Kong, we must say this: It is mainly Hong Kong people themselves who have made such good achievements. Therefore, we must be determined and make great efforts to make Hong Kong successful. We must prove that Hong Kong people, who already have their destiny in their own hands, can create new miracles in the territory. Taking Hong Kong back is a major event, and ruling Hong Kong well has major significance.

#### **They Should Have Confidence in the Rule of Hong Kong by Hong Kong People**

Third, a great deal of effort must be made in order to achieve long-term stability and prosperity for Hong Kong. It is not a simple job to really rule Hong Kong well and maintain its success. What Beijing will do and what its policy will be, of course, concerns ruling Hong Kong properly. We ourselves feel embarrassed when we keep saying: "One country, two systems; the rule of Hong Kong by Hong Kong people; and keeping Hong Kong unchanged for 50 years." All this is Beijing's position. Why should we change it? Is it not a good thing when you can exercise good administration yourselves? I think Hong Kong is a very tiny place. Kowloon and Hong Kong together are some 1,000 square kilometers. How

can Hong Kong play such a major role and occupy such an important place in international finance and trade? In how many areas does Hong Kong rank first? What are the reasons? China has a vast territory and has many places whose conditions are better than Hong Kong. Why does Hong Kong rank first in so many areas? I think many people are unclear about that. Some people say that I understand it well, but, in fact, I am unclear about it. You can have a feeling about a certain thing, but you may not comprehend it. Unless you fully comprehend it, there is no way you can feel deeply about it. Anyway, there are things about which you may feel very good, but you will never understand if you do not know why it works. When you are in such a situation, you may, without being aware of it, discard those elements which you clearly hate, but which are, in the long term, desirable and positive for the cause as a whole. Let me tell you a story. A good Yixing teapot which has been used for a long time develops a coating of tea residue inside it, and you will be able to get good quality tea from the pot even if you only fill it with hot water. Now a poor old lady was selling just such a teapot at a market. A buyer recognizes that the teapot is at least 100 years old and is of high quality and asks how much it costs. "Five coppers." "I will give you three taels [of silver] and will pick it up in a moment." The old lady looks at the teapot and thinks it looks too old. She carefully cleans it, removing the tea residue along with the dirt. When the buyer comes back and sees that the tea residue has been wiped away, he says: I do not want it even if it does cost only five coppers. In many cases, if you don't understand something, you are unaware of what makes it valuable, and it will be difficult to keep it intact. It will be difficult to determine whether the things you decide to remove are good or bad.

In a sense, recovering Hong Kong, and Hong Kong people running Hong Kong implies that Hong Kong's prosperity has been a result of the accomplishments and experiences of the Hong Kong people; in another sense, the concept of Hong Kong people running Hong Kong as genuine masters is something new. Such being the case, doing a good job of running Hong Kong is a great issue, a new issue and a difficult one at that. Of course, first and foremost one must have faith. I do not mean to make it sound mysterious, but how are we to run Hong Kong? Are we too incompetent to do so?! Of course, we must have faith—how could one do business without faith? Shall we simply leave the matter to the British? However, faith alone is not enough; there must be methods and substantial abilities.

Only some 800 days remain before the return of Hong Kong, and a tremendous amount of preparatory work has to be done in this limited time span. All who show concern for and attach importance to Hong Kong, all who care for the economic construction and development of the motherland, and all who care for the image of the Chinese nation must attach great importance to this situation, take urgent action, and work hard to do a good job for Hong Kong.

**The Chinese Should Be More United**

I do not think I can be specific on how to do a good job for Hong Kong. However, first it is imperative to grasp work firmly. We may say that we still have plenty of time when doing other things, but the important matter of recovering Hong Kong must be grasped firmly because we are very pressed for time. Second, it is imperative to be meticulous. I used to say: Grasp firmly, grasp firmly again; be meticulous, and be meticulous again; be united and be still more united; do practical work, and do more practical work. It is imperative to be meticulous and think carefully about everything. It is imperative to study work in every field earnestly, carefully, and in depth, and take everything into consideration resourcefully, minutely, and in depth, including eventualities, to minimize accidents as best we can. And third, it is imperative to boost solidarity. Many nations in the world share this good tradition of solidarity. It would be inaccurate to say that the Chinese are divided; but, at least, we have suffered a great deal because we have not been united. In the past, people likened the Chinese to an expanse of loose sand; even today, people still think that Chinese do not get along when they come together. In the words of one American, one does not have to worry when a Japanese comes to a hi-tech unit at a research center; but watch out when a Chinese comes; watch out when two Japanese come, they are strong when they get together; you can relax somewhat when two Chinese come, because they are bound to fight with one another; and when three Chinese come together, just pay them no heed. Of course, there is some irony and exaggeration in those remarks, but there really are too many examples of our divisions; there is some quarrel in every family. More often than not, when two people do not get along, it is not because one of them did something wrong, but quite the opposite; not because one of them is too poor, but because the other is too well-off. I believe the Hong Kong issue is a test of the unity of the Hong Kong people and even of the Chinese people as a whole as well as a test of the solidarity between the Hong Kong people and the Chinese. To my mind, at this important historical juncture, we should be even more united. The Chinese have a characteristic: They have been liable to unite when they were going through difficult times, but this unity would disappear after they won the war. The members present here should make contributions at this historical juncture. Our CPPCC members are highly esteemed among the 1.2 billion people in China; we should do our duty and fulfill our obligations. Today, the Chinese still cherish the memory of Chang Hsue-liang, simply because at the critical juncture of the "Xian Incident," Chang Hsue-liang stood up and promoted cooperation between the Kuomintang and the CPC; hence, we are able to meet here today. I do hope that the members present here, all CPPCC members, who have made great contributions to the stability and prosperity of Hong Kong in the past, have done a lot of work in the reform and opening up of the motherland, and have exerted great efforts, will do their best to unite as one and

exert efforts for the return, stability and prosperity of Hong Kong to make still greater accomplishments. In my speech today, I have not been able to say anything more about Macao, but the meaning and basic principle of my speech applies to Macao as well. I am here today to hear your opinions; perhaps I have been talking too much, and you may complain that I have not been modest—with this I end my speech.

**CPPCC Chairman Li Ruihuan Urges Closer Ties**

*HK1503081795 Beijing CHINA DAILY in English 15 Mar 95 pp 1, 2*

[By Sun Shangwu and Zheng Ciaxiong: "CPPCC Closes Session"]

[FBIS Transcribed Text] At the closing meeting of the annual session of the CPPCC Eighth National Committee, Chairman Li Ruihuan urged its members to maintain close ties with the people. As CPPCC members hold the responsibility for political consultation, democratic supervision and participation in the deliberation and administration of the state affairs, their work will directly influence the interests of the country and people.

"The CPPCC members should have a clear understanding of their position and work hard to enhance their senses of responsibility and mission," Li told the 1,758 members attending the closing session of the 12-day Third Plenary Session of the CPPCC's Eighth National Committee yesterday in the Great Hall of the People.

All senior Chinese leaders, including President Jiang Zemin and Premier Li Peng, attended the meeting. Li urged all CPPCC members to conscientiously study Deng Xiaoping's theory of building socialism with Chinese characteristics as well as study laws, policies and political, scientific and cultural knowledge.

The CPPCC is a body with its organizational units based on the various circles of society and it boasts 480,000 members at all levels across the country. More than 2,000 are members of National Committee.

"CPPCC members should maintain close ties with the people, listen attentively to their views, understand their feelings, reflect their wishes and safeguard their interests," said Li, who is also a Standing Committee member of the Political Bureau of the Central Committee of the Communist Party of China.

In reflecting the social conditions and popular feelings, he said, the CPPCC has the advantage of being in a uniquely neutral position. It is not particularly limited to addressing the special interests of certain departments or localities and can therefore be more objective in reflecting various situations and problems.

Many CPPCC members are experts and scholars, and they can offer many good suggestions and ideas. "As CPPCC also has easy access to all quarters, it could provide efficient linkages between the grass-roots level

and top decision-making departments," Li said. He urged all CPPCC members to regard the work of reflecting the social conditions and popular feelings as an important day-to-day task of CPPCC.

Unity and stability are in the overall interests of the nation and represent the aspiration of the people. They are also the main theme of the CPPCC's work. "All CPPCC's work should proceed from maintaining unity and stability and be conducive to achieving this goal," Li told the meeting.

As the establishment of socialism with Chinese characteristics is a grand and complicated project, there are inevitably some problems in social life and shortcomings in work. "Nevertheless, difficulties and problems are not excuses for pessimism and inertia. Instead they should provide the basis for unity and hard struggle," Li added.

Yesterday's meeting also adopted a political resolution which stated that the CPPCC agrees to all reports delivered at the National People's Congress, including the work report of the government. On peaceful reunification of the motherland, the resolution said that the CPPCC supports President Jiang Zemin's eight-point proposal on the Taiwan issue.

Five new members were also added into the CPPCC's Standing Committee at yesterday's meeting. They are: Yang Chengzhe, vice chairman of the Yanbian Korean Autonomous Prefectural Committee of the CPPCC in Jilin Province; NG Fok, chairman of the Macao President Hotel and NG Fok Import and Export Co; Hu Zhengguang, deputy general manager of the Guangdong Nuclear Power Investment Co; Han Wenzao, vice president of the China Christian Council; and Fu Xishou, former vice governor of Anhui Province.

#### 'Roundup' Reviews CPPCC Session

OW1403142095 Beijing XINHUA in English 1331  
GMT 14 Mar 95

[("Roundup: CPPCC Effectively Exercises Its Duty")]

[FBIS Transcribed Text] Beijing, March 14 (XINHUA)—The Eighth National Committee of the Chinese People's Political Consultative Conference (CPPCC), which closed its third session here today, is becoming increasingly effective in exercising its duty of political consultation and democratic supervision.

Senior Chinese leaders Jiang Zemin, Li Ruihuan, Zhu Rongji, Liu Huqing and Hu Jintao joined in panel discussions with CPPCC members to listen to their opinions. Premier Li Peng, before leaving for the United Nations' Summit on Social Development in Denmark, attended one of its plenary meetings and listened to views from some CPPCC National Committee members.

Li Lanqing, Zou Jiahua and Qian Qichen, Vice-Premiers, and Wei Jianxing, secretary of the Central Commission for Discipline Inspection, also attended panel discussions.

Wu Bangguo and Jiang Chunyun, members of the politburo of the CPC Central Committee, and Wen Jiabao, alternate member of the politburo of the CPC Central Committee, attended the meeting as nonvoting members.

In addition, nearly 90 leaders of various ministries or commissions of the State Council joined in panel discussions or attended the meeting as nonvoting members.

Jiang Zemin, Chinese president and general secretary of the CPC Central Committee, stressed that political consultation is an important part of the work of the party and the government at a panel meeting with members of the China Democratic League and the China Democratic National Construction Association.

He said that he hoped members of the CPPCC at all levels would earnestly perform their duty of political consultation, democratic supervision, and participation in the deliberation and administration of state affairs.

In particular, Jiang urged them to redouble their efforts to unite the people, to arouse social positive factors, to reflect opinions of various parties and to offer proposals and suggestions for China's reform and opening to the outside world as well as to its modernization drive.

Li Ruihuan said in a panel meeting that the CPC Central Committee pays close attention to the work of the CPPCC and the non-Communist parties, and the achievements of the CPPCC have been made under the care and support of the CPC Central Committee.

"We should, under the leadership of the CPC Central Committee headed by Jiang Zemin, learn from each other and make concerted efforts to upgrade the various operations of the CPPCC," he said.

Xiong Xingmei, a member of the CPPCC National Committee and a professor with the Institute of International Economy of Nankai University, said that he was happy to see that Vice-Premier Zhu Rongji joined in a panel meeting with people from the economic circles and had a frank discussion with them.

"I am confident that our opinions and suggestions will have the attention of the CPC Central Committee," he said.

The political consultation system under the leadership of the CPC is important in China's political life and the function of the CPPCC—participation in the deliberation and administration of state affairs—has been constantly enhanced.

Earlier this year, the CPC Central Committee issued a circular, urging that all local governments must hear opinions of CPPCC committees at different levels in making major decisions and must create better working conditions for CPPCC members.

In recent years, members of the CPPCC have focused their work on economic affairs and submitted many

suggestions and proposals, which are taken with importance by the CPC Central Committee and relevant departments of the State Council.

The Subcommittee for Handling Proposals of the CPPCC National Committee received a record of 2,100 proposals from CPPCC members, members of non-Communist parties and mass organizations since last year's session. Many of the proposals, such as those on increasing input in education, have been adopted.

Ye Xuanping, vice-chairman of the Eighth National Committee of the CPPCC, said in his report at the session that to standardize and systemize the work of participation in the deliberation and administration of state affairs would be the leading task of this year's work.

Many CPPCC members said that the CPPCC's work should serve and follow the overall task of the party and the government and contribute to China's reform and opening to the outside world and its modernization drive.

Observers said that under the care of the party and the government, members of the CPPCC are enjoying a better working environment and are more enthusiastic in performing their duties. They are expected to play a greater role in China's economic construction and political life.

### Political & Social

#### Governors on Call To Eliminate Western Influences

*HK1403125995 Hong Kong SOUTH CHINA MORNING POST in English 14 Mar 95 p 8*

[By Daniel Kwan in Beijing]

[FBIS Transcribed Text] Guangdong will not wipe out foreign influences indiscriminately Governor Zhu Senlin said yesterday. "Decadent influences have two aspects—one is from capitalism and the other comes from feudalism," Mr Zhu said. "Capitalism has some outstanding and decadent areas and feudalism also has its roots in traditions and decadence too.

"It is those decadent influences that we need to wipe out."

But Sichuan Governor Xiao Yang was more concerned about the domestic situation, particularly the difficulties of farmers in his province.

Communist Party General Secretary Jiang Zemin told Guangdong cadres last week that they should steep themselves in patriotic education and wipe out all decadent Western influences. When asked how Guangdong could fulfill the task, Mr Zhu said the province would carry out "ideological education and supervision" in order to teach "a proper perspective of life". "So that through our patriotic and socialist education, people will know right from wrong," he added.

On corruption, the Governor admitted that some cadres might have fallen to the temptation of bribes. He said some people might have failed to understand the gravity of the problem.

Wen Shizhen, the Governor of Liaoning, was blunt in pointing out that closing the doors on Western ideas could hurt the modernisation plan. "(We) need to have a proper understanding of Western ideas. We need their technology and management expertise," Mr Wen said. "Also, (we need to learn from the West) in our transition to a market economy," he added.

The criteria for selection, he said, was whether those ideas could be compatible with the Chinese culture and the socialist system. He added that China could still benefit from those Western ideas which do not satisfy these two criteria by learning from their "good parts".

Modern phenomena like pop songs were welcome, he said. "For pop songs, (I don't think we) can generalise them ... Now, some Western pop songs are very popular here," Mr Wen said. Even foreign radio and television broadcasts were not all bad. "We need the reports of the many great news events happening abroad," he said.

According to Mr Xiao the regions have been under instruction to ensure a smooth procurement of grain from farmers this year. Regional governments which are responsible for "motivating the enthusiasm of farmers" can offer price subsidies to farmers but cannot raise the procurement prices. Mr Xiao acknowledged that the provincial Government would face a heavy financial burden with the freeze on market prices imposed by Beijing this year, but he declined to reveal how much Sichuan will have to subsidise.

He said Sichuan was able to maintain a relatively stable countryside this year, and Renshou county, where riots broke out two years ago, had returned to normal. But he expressed his deep sympathy for thousands of workers who have been laid off as a result of the poor performance of their factories.

In addition to being a major grain supplier in China, Sichuan is also a key base of China's mammoth state industry. He said many of these workers were "entitled to voice their discontent". "This is their lawful right to speak out in order to protect their interests," said Mr Xiao. "Cases like this are not conspicuously high (in Sichuan)," he added. The Governor had earlier said six per cent of the workforce in Sichuan was out of work.

#### Minister Says Sino-Overseas Joint Schools Urged

*OW1403143695 Beijing XINHUA in English 1417 GMT 14 Mar 95*

[FBIS Transcribed Text] Beijing, March 14 (XINHUA)—China encourages cooperation and exchanges in education with people from overseas and welcomes schools in the form of joint ventures and those run by

nongovernmental bodies and individuals, said Zhu Kaixuan, minister of the State Education Commission, here today.

Regulations have been issued on the running of Sino-overseas joint schools by the commission, he said at a press conference.

According to the provisional regulations, overseas legal entities and organizations are encouraged to cooperate with Chinese legal persons and schools to run educational institutions.

Academic degrees to be conferred shall be decided by the two sides in line with international practices, Zhu said.

However, the conditions for independent running of higher learning institutions by overseas people are not yet ripe, the minister said.

Talking of the exchange of students, Zhu said, China's policies concerning students studying abroad remain unchanged, and it supports overseas studies, encourages the return of students and ensures freedom for their coming and going.

But the minister said he is worried about the migration policy adopted by some developed countries to attract high-level talents. "That might adversely affect China's opening drive," he said.

Statistics show that 220,000 Chinese students have gone abroad to study since 1978, and 75,000 of them have returned.

Meanwhile, China has accepted 30,000 to 40,000 students from 140 countries and regions who have studied in some 100 universities and colleges in the country.

Zhu said schools set up by nongovernmental organizations and individuals are supplementary to the schools run by the state.

Around 1,000 primary schools, 600 junior middle schools and 30 high schools in the country are nongovernmental, the minister disclosed.

He said it is understandable that some of them charge higher fees for better education for children of high-income families.

But the school education principles must be in line with China's socialist educational system and the educators must carry out the educational guidelines set by the government.

Schools offer luxurious living conditions are not encouraged and the so-called "elite schools" to train aristocrats should be opposed, the minister said.

Zhu called on such schools to change their orientation immediately. "The government is guiding them to the right track," the minister said.

**Ministry Urges Localities To Repair Reservoirs**  
*HK1503084895 Beijing CHINA DAILY in English 15 Mar 95 p 2*

[By Liang Chao: "Reservoir Repairs Are Needed Now"]

[FBIS Transcribed Text] The central government has urged local authorities to boost efforts to repair large and medium-sized reservoirs that have had safety problems.

With the approach of the annual flooding, governments at all levels should attach top importance to the repair and reinforcement of such reservoirs officials from the Ministry of Water Resources said last week.

Most urgent are some 70 of the largest reservoirs, mostly built along China's significant trunk railways and key industrial cities, said the ministry.

China has, since 1949, built some 80,000 reservoirs. They play a key role in the country's flood-control, irrigation, and navigation.

However, problems at some reservoirs have not only affected their efficiency but threatened the safety of people and the regional economy along their lower reaches, making them dangerous in each year's rainy season when floods occur one after another.

According to the Ministry's latest national survey released last week, at least 30 percent of China's more than 80,000 reservoirs scattered across its 30 provinces and municipalities need to be repaired or reinforced.

An investigation conducted by the ministry showed that 20 percent of China's 300 large and medium-sized reservoirs need repair, as some accidents have been reported over the last few years.

Two years ago, more than 280 people were killed in Northwest China's Qinghai Province with the sudden collapse of a local reservoir.

To avert such catastrophes, local authorities must not begrudge money spent on reinforcement before this year's flood season, a ministry official said.

The safety of reservoirs has caused the central government's leading officials great concern. Last year, for example, President Jiang Zemin heard special reports on the conditions of the reservoirs and their problems.

It will take several years to complete the repair projects.

The ministry has reinforced 33 major reservoirs out of the 43 listed in the repair programme's first group. Work is under way on 33 of the 38 others included in the plan's second group.

Though local authorities have, since 1980, worked hard to repair their troubled reservoirs more efforts must be made to fully complete the reinforcement, the ministry's officials stressed.

It would be difficult to accomplish the job as scheduled without increasing funds earmarked for them. They said at least 10 or 20 million yuan (\$1.2 million to 2.4 million) are needed to reinforce each of them.

### Tightened Control Over Dangerous Air Cargo Packaging

OW150311195 Beijing XINHUA in English 0817  
GMT 15 Mar 95

[FBIS Transcribed Text] Beijing, March 15 (XINHUA)—China has recently drawn up a package of stringent provisions governing the inspection and management of dangerous import and export cargo packagings in air transport in face of China's faster growing foreign trade.

The regulations, which are scheduled to come into effect on a trial basis on May 1st this year, stipulate that a quality licence control shall be imposed on the packagings of dangerous goods by imports and exports inspection authorities.

Production of such export goods will be allowed only when a manufacturer receives a quality licence or a certificate granted under an export commodity quality system, according to the provisions.

Packaging signs, air transport symbols, manufacturer codes and lot numbers shall be printed on qualified performance-test bill issued by related commodity inspection authorities. And packaging performance testimonials issued by the authorized inspection bodies of producing countries are required for the use of imported packagings or those provided by overseas consignees.

It is learned that China handles a total of some 600,000 tons of import and export freight in air transport annually, ranging 12th in the world in terms of annual throughput.

### Deng Pufang Attends Performance in Henan

HK1503112495 Zhengzhou Henan People's Radio Network in Mandarin 2300 GMT 1 Mar 95

[FBIS Translated Text] The travelling public-lecture and performance group of loving the motherland and constantly striving to become stronger, which was organized by the central propaganda department, the Central Committee of the Communist Youth League [CYL], and the Chinese Federation of the Disabled, gave its first public lecture and performance in the People's Hall of Henan Province on 1 March, which was a great success.

Dai Zhou, deputy secretary general of the central propaganda department, Liu Peng, executive secretary of the Secretariat of the CYL Central Committee, and Deng Pufang, chairman of the Chinese Federation of the Disabled, made a special trip from Beijing to attend the lecture and performance. When they were entering the rostrum to take their seats on its front row, the audience

burst into thunderous applause. Provincial party, government, and army leaders Ren Keli, Lin Yinghai, Zheng Zengmao, Song Guocheng, Zhu Chao, Qin Kecai, Zhang Honghua, Li Xuebin, Wang Yingzhou, and (Wang Quanshu), and four lecturers were also seated on the front row of the rostrum.

The lecture was presided over by Vice Governor Li Zhibin.

The first lecturer was Colonel Li Zhijun of a certain unit under the Beijing Military Region. In 1981 when removing [words indistinct] in a construction side, an explosion left him seriously injured and totally blind. In face of this bitter test, he struggled indomitably and created a [words indistinct] methods of massage therapy, enabling more than 2,600 children with vision trouble to improve their sight. In 1991, Jiang Zemin, chairman of the Central Military Commission, signed an order to award him the honorable title of a Model of Learning From Lei Feng and the medal of Class-One Model Worker. He was elected one of the Second National 10 Top Outstanding Youths and outstanding Communist Party member of the whole army.

The second lecture presenter was Sun Shujun, president of the Qizhi Kindergarten of Huanggu District, Shenyang City. [words indistinct] To realize her early wish to popularize preschool education, she raised funds by saving money on food and expenses and opened the Shujun Kindergarten. In addition to teaching children who were sound in mind and body, she also taught 49 mentally retarded children and actively investigated the laws and methods concerning enlightened education of the mentally retarded children. She allowed children whose families were suffering material and financial difficulties to study in her kindergarten free of charge. In 1991, she transferred the Shujun Kindergarten to the neighborhood committee and opened the Qizhi Kindergarten, which was capable of taking in 500 children. For this, she was elected the Advanced Individual in Learning From Lei Feng and was awarded the honorable Certificate of Loving Children issued by the State Council and the Certificate of the 1994 International Outstanding Disabled.

The two presenters' lectures were full of loyalty and dedication to the motherland and pursuit of noble ideals and lofty convictions. Their spirit of constant self-improvement and selfless dedication deeply touched the audience of 3,000 people. Burst after burst of applause expressed people's understanding and respect of the two presenters.

At the lecture, Provincial Deputy Party Secretary Ren Keli said: Accelerating reform and opening up to the outside world and comprehensively implementing the opening-driven strategy particularly needs carrying forward the indomitable fighting spirit of loving the motherland and constantly striving to become stronger. We must conscientiously learn from the public-lecture group's aspirations of loving the motherland, cause, and

life, from their optimistic and forward-looking attitude toward life and their being strong in spirit though broken in health, from their indomitable fighting spirit of pressing ahead in the face of difficulties and persisting in hard training, and from their fighting spirit of daring to practice, work hard, and win victory and make fresh contributions in accelerating the province's modernization and realizing its one-high and one-low strategic goal.

Dai Zhou, deputy secretary general of the central propaganda department, Liu Peng, executive secretary of the Secretariat of the CYL Central Committee, and Deng Pufang, chairman of the Chinese Federation of the Disabled also spoke at the lecture one after another.

Some members of the troupe of the Chinese disabled musicians and artists, which had visited some 10 countries and regions, gave the audience brilliant theatrical performances, which showed the special artistic talents of the disabled.

According to another report, after the end of the first lecture and performance given by the national itinerant public-lecture and performance group of loving the motherland and constantly striving to become stronger, the organizers of the current activity, namely, Dai Zhou, Liu Peng, and Deng Pufang, persons in charge of the central department, the CYL Central Committee, and the Chinese Federation of the Disabled, were interviewed by reporters.

A reporter asked: What is the significance of conducting the current travelling public lecture and performance activity?

Dai Zhou, deputy secretary general of the central propaganda department, said in reply: The activity has significance in at least three areas. First, the current activity is an important move taken to implement the CPC Central Committee's program for conducting education in patriotism and pushing forward the building of spiritual civilization. Propagating the spirit of the disabled of loving the motherland and constantly striving to become stronger will help vigorously push education in patriotism ahead. Second, the activity will help people foster a correct outlook on life and values and conscientiously resist such unhealthy ideological trends as money worship and individualism. Third, it will help develop the cause of the disabled and help all members of society take care, help, and support the cause of the disabled.

Asked by a reporter of his impressions on the first lecture and performance, Liu Peng, executive secretary of the Secretariat of the CYL Central Committee, said: The lecture was touching and the performance was soul-stirring. The disabled are facing difficulties which are unimaginable to ordinary persons. Through their own hard work bit by bit and with indomitable fighting spirit, they have created a good life. Compared with them, what difficulties can we, people who are sound in body and mind, not overcome? In the last few years, our country has made rapid progress, but, in the final analysis, as its

foundation is weak and is fraught with many difficulties, the country particularly needs the indomitable fighting spirit of constantly striving to become stronger and daring to overcome difficulties.

Asked by a reporter of his views on the province's cause of the disabled, Deng Pufang, chairman of the Chinese Federation of the Disabled said: Henan is a province with a large population, and the proportion of the disabled in its total population is also relatively large. It has more than 5 million disabled persons. Thanks to the importance attached by the provincial party committee, the support given by the people of the province, and the solid and effective work done by the province, great successes have been made in the work for the disabled in the last few years. Henan occupies a middle position in the nation in terms of economic strength. Therefore, it has not been easy for the province to do so well in its work for the disabled. This has boosted my confidence.

#### \*Youth Surveyed on Impact of Reform

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[Report by Wang Xiaodong (3769 2556 2639) and Wu Luping (0702 7627 1627); edited by Ma Mingjie (7456 2494 3381): "Young Urban Chinese Evaluate the Year 1994"]

[FBIS Translated Text] Editor's note: In the summer and autumn of 1994, the China Youth Studies Center, with the vigorous cooperation of CYL Party Committees from 10 provinces (municipalities), such as Beijing, Shanghai, and Guangdong, took a national poll of youth developments. Starting today, ZHONGGUO QINGNIAN BAO will carry a series of statistical analysis reports on this poll. [end editor's note]

This poll shows that in 1994, young urban Chinese ranked the three areas of China's overall might, market supply, and international standing first during the last 15 years of reform; they ranked official honesty, public ethical practice, and public order last. As 57.65 percent of urban youth held that a "moral decline" certainly exists, a "moral reconstruction" is urgently needed. Some 89.32 percent of urban youth held that public corruption was quite severe, and made harsher punishment their first choice for an effective way to crack down on and eliminate corruption. Some 60.49 percent of urban youth took part in "China youth volunteer activities." Mao Zedong and Mandela are the Chinese and foreign statesmen most liked by urban Chinese youth.

Since 1994, mainstream Chinese culture has been conducting a vigorous propaganda campaign about the successes achieved in 15 years of reform and opening. All news media, when evaluating and publicizing our 15 years of reform, have crowned them with the title of "a glorious 15 years." In which case, how do our youth evaluate our 15 years of reform? This poll shows that:

Youth are more positive than negative in their evaluation of social developments in all areas during our 15 years of reform, ranking the three areas of "overall national might," "market supply," and "China's international standing" first; and those of "official honesty," "ethical practice," and "public order" last.

In response to the question: "How do you rate the changes in the following areas during 15 years of reform?", over 50 percent of our youth rate changes in the nine areas of "overall national might," "market supply," "China's international standing," our "national economic situation," our "material living standards," "the chance to make money," our "cultural living standards," "the chance to get rich," and "national cohesion" favorably.

Some 94.11 percent of Chinese youth hold that our overall national might is "up sharply" (40.77 percent) or "up somewhat" (53.34 percent), with only 2.96 percent holding that it is "down somewhat" (2.06 percent) or "down sharply" (0.90 percent).

Some 90.33 percent of youth hold that our market supply is "sharply improved" (41.32 percent) or "somewhat better" (49.01 percent), with only 5.47 percent holding that it is "somewhat deteriorated" (4.09 percent) or "severely worse" (1.38 percent).

Some 86.57 percent of youth hold that China's international standing is "up sharply" (31.33 percent) or "up comparatively" (55.24 percent), with only 3.90 percent holding that it is "down somewhat" (1.23 percent) or "down sharply" (2.67 percent).

Some 87.08 percent of youth hold that our national economic situation is "sharply improved" (28.44 percent) or "somewhat better" (58.64 percent), with only 6.94 percent holding that it is "somewhat deteriorated" (5.72 percent) or "severely worse" (1.22 percent).

Some 89.37 percent of youth hold that our material living standards are "up sharply" (21.96 percent) or "up relatively" (67.41 percent), with only 4.41 percent holding that they are "down somewhat" (3.35 percent) or "down sharply" (1.06 percent).

Some 85.27 percent of youth hold that the chance to make money is "up sharply" (24.74 percent) or "up comparatively" (60.53 percent), with only 6.66 percent holding that it is "somewhat less" (5.01 percent) or "down sharply" (1.65 percent).

Some 78.68 percent of youth hold that our cultural living standards are "sharply improved" (17.39 percent) or

"relatively better" (61.29 percent), with only 10.09 percent holding that they are "down somewhat" (8.49 percent) or "down sharply" (1.60 percent).

Some 73.77 percent of youth hold that the chance to get rich is "sharply improved" (15.01 percent) or "comparatively better" (58.76 percent), with only 11.31 percent holding that it is "somewhat worse" (8.13 percent) or "sharply worse" (3.18 percent).

Some 51.44 percent of youth hold that our national cohesion is "sharply stronger" (12.92 percent) or "somewhat stronger" (38.52 percent), with only 26.58 percent holding that it is "somewhat looser" (21.44 percent) or "sharply looser" (5.14 percent).

Overall, while youth rank changes in the four areas of "official honesty," "ethical practice," "public order," and "government administrative efficiency" lower; the grade average among youth on the abovementioned 13 areas of change is 3.60, or generally "essentially favorable" (four points) and "uncertain" (three points), tending to be "essentially favorable" (as the average is above 3.50).

Youth rank the change in "government administrative efficiency" lower, with the evaluations quite uneven. As to those who hold that government administrative efficiency is up to a certain extent (including "up sharply" and "up relatively"), unchanged, and down (including "down somewhat" and "down sharply"), the numbers are about one-third each. In detail, 4.87 percent hold that it is "improved sharply," with 30.44 percent holding that it is "comparatively better," 30.93 percent holding that it is unchanged, 23.3 percent holding that it is "somewhat worse," and 10.45 percent holding that it is "sharply worse."

In 15 years of reform, youth rank the three areas of social development of "official honesty," "ethical practice," and "public order" lowest, where the overall grade average is below three in all cases. Some 58.62 percent of youth hold that government honesty is "down somewhat" (33.12 percent) or "down sharply" (25.50 percent), with 57.65 percent holding that ethical practice is "somewhat worse" (46.29 percent) or "severely deteriorated" (11.36 percent), and 54.70 percent holding that public order is "somewhat worse" (42.57 percent) or "severely deteriorated" (12.13 percent). This shows obvious discontent among urban Chinese youth about the quite severe phenomena existing in 1994 of public corruption, moral decline, and deterioration of public order.

As to the overall trend of youth evaluation, youth ranked higher items linked closely to our material civilization establishment, and lower those tied closely to our spiritual civilization establishment.

Table 1: How Do You Rate the Changes in 15 Year of Reform in the Following Areas?

Evaluation Items	Operating State and Evaluation			
	Good Operations (Favorable Evaluation)	Neutral Operations (Uncertain Evaluation)	Poor Operations (Negative Evaluation)	Grade Average
1. Overall National Might	94.11%	2.93%	2.96%	4.30
2. Market Supply	90.33%	4.21%	5.47%	4.25
3. China's International Standing	86.35%	9.74%	3.90%	4.12
4. National Economic Situation	87.03%	5.98%	6.94%	4.06
5. Material Living Standards	89.37%	6.23%	4.41%	4.05
6. Chance To Make Money	85.27%	8.07%	6.66%	4.01
7. Cultural Living Standards	78.68%	11.22%	10.09%	3.95
8. Chance To Get Rich	73.77%	14.93%	11.31%	3.73
9. National Cohesion	51.44%	21.97%	26.58%	3.32
10. Government Administrative Efficiency	35.31%	30.93%	33.75%	2.96
11. Public Order	37.86%	7.44%	54.70%	2.79
12. Ethical Practice	29.26%	13.10%	57.65%	2.66
13. Government Honesty	25.21%	16.17%	58.62%	2.43

Having done a factor analysis of the evaluation results reflected in Table 1, we have discovered that the youth evaluation of all social aspects in 15 years of reform can be divided roughly into the three categories of the "social conformity factor," the "material and cultural living standards factor," and the "national economic situation and overall national might factor." After 15 years of reform, Youth rank changes in the "national economic situation and overall national might factor" highest, with an average grade of 4.16; second is the "material and cultural living standards factor," with an average grade of 4.00; and lowest is the "social conformity factor," or the one that is tied most closely to our spiritual civilization establishment, with an average grade of 2.85.

This analysis shows that urban Chinese youth, when evaluating social developments over 15 years of reform, express a strong attitude orientation: In all cases where items are tied closely to our society's material civilization establishment, the youth evaluation is higher; in all cases where items are linked closely to our society's spiritual civilization establishment, the youth evaluation is lower. This highly regular pattern of change in the youth evaluation of social developments shows the objective reality of our hard line on one the hand, and soft on the other, in the course of social development over 15 years.

Youth acknowledge the "moral decline" during the changeover period, and the arrival of a golden age for a "moral reconstruction project."

Since reform and opening, as to the changes that have occurred in the public mindset and values, the society and intellectuals mostly approve of them as positive, while lacking a clear enough understanding of the various unhealthy social mindsets (materialism, vulgarism,

rashness, and utilitarianism) and value orientation (the pernicious expansion of individualism) that have appeared during these changes, as well as of their disruptive impact on social conformity.

This poll found that nearly 60 percent of youth (57.65 percent) acknowledge the phenomenon of a "moral decline" during our social changeover period. This fact proves that the social and psychological grounds for a "moral reconstruction project" exist, so that a golden age for such a project has arrived.

An historical comparison of youth evaluations shows that youth are more satisfied with reform and social realities than in 1988 or 1991.

When evaluating market supply change, the percentage of youth holding it to be favorable in 1994 (90.33 percent) was 37.93 points higher than in 1988 (52.4 percent), and 21.53 points higher than in 1991 (68.8 percent).

When evaluating the change in the national economic situation, the percentage of those holding that it had improved in 1994 (87.03 percent) was 46.73 points higher than in 1988 (40.3 percent), and 35.53 points higher than in 1991 (51.5 percent).

When evaluating the change in the chance to make money, the percentage of those holding that it was greater in 1994 (85.27 percent) was 21.17 points higher than in 1988 (64.1 percent), and 23.47 points higher than in 1991 (61.8 percent).

When evaluating the change in China's international standing, the percentage of those holding that it was improved in 1994 (86.35 percent) was 21.15 points higher than in 1988 (65.2 percent), and 21.15 points higher than in 1991 (55.2 percent).

And when evaluating the change in public order, the percentage of those holding that it was better in 1994 (37.68 percent) was 10.76 points higher than in 1988 (27.1 percent), and 10 points higher than in 1991 (27.6 percent).

If we average out the grade averages of youth toward the abovementioned five social changes, the overall grade was 3.39 for 1988, 3.57 for 1991, and 3.85 for 1994. In short, the youth evaluation of social change since reform was generally in between no change (three points) and some improvement (4 points) in 1988, but tending toward no change (an average value below 3.5). But by 1991 and 1994, while the youth evaluation of social change since reform was generally still in between no change and some improvement, it tended toward some improvement (an average value over 3.5), with the 1994 (average value of 3.85 points) tendency toward some improvement higher than that of 1991.

**Popularity ratings—Mao Zedong, Zhou Enlai, and Deng Xiaoping hold the top three places, with Mandela better liked than Clinton.**

Mao Zedong's standing is up sharply, with youth also starting to show somewhat of a mood of longing for the past.

The 1988 poll showed that the most popular political figures among urban Chinese youth were, from the top, Zhou Enlai (49.7 percent), Mao Zedong (10.9 percent), and Deng Xiaoping (9.2 percent). And while the 1994 poll found that these three statesmen still held the top three places, showing that the older generation of proletarian revolutionaries enjoy an eternally unchanging high standing among Chinese youth, there was a change this time, with Mao Zedong ranking first (40.1 percent), and Zhou Enlai retaining a quite high vote percentage (26.6 percent). The sum of the votes won by Mao Zedong and Zhou Enlai of 66.7 percent was also somewhat higher than in 1988.

That the chief architect of China's reform, Deng Xiaoping, ranked third in both polls (9.2 percent in 1988 and 9.6 percent in 1994), as well as growing in popularity somewhat, shows the consistent support among Chinese youth generally for Comrade Deng Xiaoping's road of building socialism with distinctive Chinese characteristics.

**The West's image has declined in the eyes of youth, who have a stronger sense of identification with the Third World and a sense of defiance toward Western supremacy.**

In the 1988 poll, the highest ranked foreign political leader was Napoleon (with 4.7 percent of the votes), with the highest ranked living Western leader being Lady Thatcher (who won 4.2 percent of the votes). But the 1994 poll resulted in a sharp change, primarily in that Nelson Mandela ranked fourth (with 4.5 percent of the vote), close behind China's older generation of proletarian revolutionaries. The former DPRK leader, Kim Il

Sung, ranked ninth (1.3 percent), with the Iraqi leader Saddam Hussein ranking 11th (at 1.2 percent). It can be inferred that the Chinese youth who chose them regarded them as heroes from small and weak Third World countries who dared to resist Western supremacy. But in 1988, the top three foreign leaders in this category received fewer votes combined than did [Yassar] Arafat in the 1994 poll (0.33 percent, to rank 17th). But whether in ranking or vote percentage, Chinese youth in 1988 ranked political leaders who dared to resist Western supremacy lower, which rankings had jumped sharply by 1994 (particularly in vote percentage, where they were actually up 1,000 percent).

The 1994 poll showed that the highest ranking Western political leader was the President of the United States (ranked sixth). But while this ranking was the same as Lady Thatcher's in 1988, the vote percentage was only 1.9 percent. In general, in the eyes of Chinese youth in 1994, the West's image had declined, with more identification with the Third World, and generally more respect for the leaders of weak countries who dared to resist Western supremacy.

**Youth have less respect for unethical skills such as political trickery, artifice, and careerism.**

The 1988 poll report held that "youth approved very highly of political trickery, artifice, careerism, and indomitable will in political figures, ranking them higher even than achievement or success." But in the 1994 poll, the statesmen with these features were obviously lower in both ranking and vote percentage, with Napoleon slipping to 22d place, with only 0.27 percent of the votes. Some experts analyze this as being due to the worship in the 1980s by Chinese youth of political trickery, artifice, and careerism, apparently related to the Nietzschean superman values propagated in the then current "culture fad," which fad had cooled off by the 1990s, with Chinese youth tending to revert to normal and traditional values.

**Political participation—while we have no regrets in this life for having joined the reforms, as stability is important and chaos would certainly be bad, let us think well about dropping out or diving into the sea of the business world. Most youth take a stance of active support for reform, with increased reform endurance, and mostly optimistic expectations.**

In this poll, most youth (82.83 percent) held that the argument that "youth ought to join the reforms actively" "conformed completely" (40.28 percent) or "conformed essentially" (42.55 percent) to their own way of thinking, with those stating clearly that it "was very out of line with" (1.09 percent) or "did not conform much" (4.16 percent) with their own way of thinking adding up to only 5.25 percent. Most youth (67.27 percent) held that reform prospects were "great" (24.03 percent) or "quite optimistic" (43.24 percent), with those holding clearly that they were "not too optimistic" (6.24 percent) or "very pessimistic" (1.26 percent) adding up to only 7.5

percent. An additional 25.23 percent of youth stated that they were "uncertain." This result was higher than some experts had predicted.

**Youth yearn for social and political stability, being very adverse to turmoil.**

Of the countries that youth most disliked, the top ranking ones had a common point, or social and political instability. In response to the question: "What do you hold to be the most crucial yardstick of whether a country is doing well or not?" (choose two), 42.3 percent of youth chose "social stability" as their second choice, only 8.7 points behind their first choice of "economic might" (51 percent).

**The yearning for and blind worship of Western nations have been essentially reversed, with youth starting to have a sense of defiance toward Western supremacy and patriotic emotions are on the rise.**

This poll found that of the political figures most admired by youth, the highest ranking Western political leader was U.S. President Clinton, who ranked sixth with only 1.9 percent of the vote, while Nelson Mandela ranked fourth, winning more than twice the votes of President Clinton. It needs to be noted that this was certainly not due to Chinese youth being unfamiliar with Clinton (as the familiarity rate of Chinese youth for Clinton is a high 90.45 percent, or nearly 18 points higher than that for Nelson Mandela). The experts hold that this poll result can be explained only from the perspective of the change in stance of youth toward the Western nations headed by the United States.

This change of stance by youth toward Western nations showed up even clearer in the responses to the youth choices for most disliked countries and the countries most unfriendly to China. Of the countries most disliked by youth, the United States ranked first (31.3 percent, or 1,923 votes), with Japan second. And of the countries most unfriendly to China, the United States still headed the list (56.3 percent, or 3,499 votes), with Japan second.

**The political evaluation was pragmatic, with political stances sober but not indifferent.**

When youth evaluated political realities and political phenomena in 1994, the criteria they relied on mostly were factors in the area of materialism and utility. In response to the question: "What do you hold is the most crucial yardstick by which to judge whether a country is being run well or not?" (choose two), youth chose "economic might" (51 percent, as first choice), and "living standards" (36 percent, as second choice), with these two percentages adding up to a high of 87 percent.

Youth took a pragmatic stance toward reform, or were sober but not indifferent. As to reports involving political matters on TV and in the press, 51.39 percent of youth "always watched" or "often watched," with 39.37

percent "watching sometimes," and only 9.24 percent watching very little or not at all. The percentages that discussed politics with others every day, regularly, and sometimes, were, respectively, 1.71 percent, 23.14 percent, and 54.88 percent, with very little and not at all respectively at only 17.22 percent and 2.55 percent. The youth rate of familiarity with domestic and foreign political leaders averaged a high of 85.15 percent.

**A rash mindsets about the economic participation process were clearly down, with social participation growing ever more coordinated and healthy.**

In contrast to 1993 and particularly 1992, the youth "stock speculation fad," "jumping the groove fad" [quitting school], and "diving into the sea of business fad" had clearly cooled down by 1994. Some youth who had already "dived into the sea of business" had begun to "come back ashore," with some who had already "dropped out" or had thought about doing so beginning to calm down their "positive energies" (through advanced studies). Meanwhile, guided by the Catholic Youth League Central Committee's "cross-century youth civilization project," some 60.49 percent of youth took part in "youth voluntarism." The severe imbalance in youth participation in spiritual culture and economics was essentially reversed.

But in response to the question: "Have you ever thought of becoming a people's representative?" 58.96 percent of youth answered "never," with 26.77 percent replying "fleetingly," and only 14.26 percent responding "yearned to many times."

When asked about their degree of concern for and participation in their units and communities, youth responded "exceptional concern, with regular presentation of my own views and suggestions" (11.03 percent), and "comparative concern, with occasional presentation of my own views and suggestions" (33.54 percent), with these two responses still not adding up to one-half of the polled youth (44.57 percent). In addition, 26.40 percent responded "relative attention, but generally not speaking out," with 25.92 percent answering "only do my own job, with little concern for anything else," and 3.11 percent replying "absolutely no interest in my unit or community." This shows that youth social participation still needs improved as to both regularity and pragmatism.

**Corruption really makes us angry, while leaving us feeling helpless. Youth are most displeased about the social problem of corruption, with 89.32 percent holding that public corruption is quite severe.**

In response to the question: "What social phenomenon do you detest most?" urban youth chose "corruption" first, at 38.55 percent, 17.99 points higher than "the unchecked spread of fake and shoddy goods" (second at 20.56 percent), and 28.03 points higher than "sharp price rises" (third at 10.52 percent) (See Table 2.).

Social Phenomenon	Percentage	Ranking
1. Corruption	38.55%	1
2. The Unchecked Spread of Fake and Shoddy Goods	20.56%	2
3. Sharp Price Rises	10.52%	3
4. Prostitution	9.01%	4
5. Seeing Death Without Help	8.09%	5
6. Unfair Competition	6.37%	6
7. Drug Taking and Peddling	5.49%	7
8. Other	1.41%	8

With price rises quite high in 1994, that so many youth, when choosing their most detested social phenomenon, certainly did not make their first choice "sharp price rises," but rather strongly (nearly 40 percent) chose corruption, has two major reasons: 1) As reform and opening have created more opportunities for youth to make money (with 85.27 percent of youth in this poll holding that the chance to make money is up sharply or up considerably due to 15 years of reform), youth are more able to endure rising prices; 2) quite a few youth hold that corruption is very severe in our present society. In response to the question: "How would you rate public corruption?", 39.76 percent of urban youth answer "exceptionally severe," with 49.56 replying "quite severe," 9.01 percent responding "ordinary," 1.28 percent answering "not so severe," and 0.39 percent replying "very little."

**A sharp gap still exists between the many government anti-corruption efforts and high youth expectations.**

In response to the question: "Are you satisfied with the results of the government's anticorruption work?", the youth responses of "very satisfied" (2.92 percent) and "quite satisfied" (11.73 percent) add up to less than 14.65 percent, while the response "generally" gets (31.62 percent), and the responses "not very satisfied" (33.04 percent), and "very dissatisfied" (20.68 percent) add up to a high of 53.72 percent. This shows that youth expectations of government anticorruption work far exceed the anticorruption efforts made by government.

**Most youth hold that the most effective means of cracking down on corruption is "harsher punishment" and "a better control system," with their value set on "press exposure" far less than imagined.**

In response to the question: "What do you hold to be the most effective means of cracking down on corruption?", the urban Chinese youth choices of "harsher punishment" (40.45 percent) and "a better management system" (30.39 percent) add up to a high 70.84 percent. "Press exposure" certainly does not hold a high position in youth eyes, at only 12.94 percent. And even less youth

choose "tighter inspection and control" and "stronger indoctrination" as the most effective means, at respectively only 10.64 percent and 5.58 percent.

**As youth are subject to a potential inclination toward bribery, unless public corruption is controlled effectively, youth dissatisfaction with corruption will long coexist with identification with and acceptance of corruption by youth in real behavior.**

The poll found that in complete contrast to the above-mentioned youth stance (strong dissatisfaction with corruption), youth tend to express in their own behavior considerable tolerance and acceptance of "corruption." In response to the question: "If bribery would solve your current problems that are in urgent need of solution, would you engage in bribery?", the youth responses of "absolutely not" (12.59 percent) and "would not" (12.20 percent) add up to only 24.79 percent, while the responses "certainly would" (18.82 percent) and "that would depend on the circumstances" (34.79 percent) add up to a high 53.61 percent. In addition, another 21.60 percent of youth are unsure about this, responding "uncertain."

**What is the cause of this contrast? In our discussions and conversations with some youth, some said that since reform and opening, while youth have always detested public corruption greatly, underlying this apparent hatred is an essential change that has occurred at a deeper level. The hatred that youth expressed when corruption first surfaced grew mostly out of idealism and ethical considerations, out of a sense of concern for the nation and the people, or that a society and a political party ought to remain honest. But as public corruption has spread, becoming more universal and permanent, with youth values tending toward upward mobility, youth detestation of corruption has changed to a considerable extent to proceeding from personal considerations, with many hating corruption mainly because they themselves cannot engage in it, while corrupt behavior by others really infringes directly or indirectly on their own interests.**

**It can be predicted that for quite a long time to come, unless government anticorruption success lives up to youth expectations, both the numbers and frequency of youth corruption (light corruption) will grow. Youth hatred of corruption will long coexist with real youth identification with and acceptance of corruption in action.**

#### This Poll's Project Record

**Name:** "China Youth Development Poll" (Urban Part). **Planning and execution unit:** The China Youth Studies Center's "China Youth Development Poll" Taskforce. **Polled subjects:** Urban youth aged 14-34 in the 10 provinces (municipalities) of Beijing, Shanghai, Guangdong, Shandong, Liaoning, Henan, Sichuan, Shaanxi, Gansu, and Guizhou. **Execution time:** June through October 1994 **Execution forms:**

**A. The polling sample used the multi-stage and varying-grade-level sampling methods:** 1) The graded sampling method was used for a random sampling of 10 provincial-level administrative regions throughout China. The grading considered mainly the variable of socioeconomic development, while paying attention to regional distribution. 2) In the polled provinces, all regions were categorized by per capita output value as high, medium, or low, with a region sampled in each category. 3) We conducted a random sampling of one city in each category region. 4) We conducted a random sampling in each city of a fixed number of units or neighborhoods. 5) In the polled units or (neighborhoods), we sampled a fixed number of youth. This poll's sample capacity was 7,000 people.

**B. This poll was conducted by questionnaire, with 6,150 valid questionnaires returned, for a recovery rate of 90 percent, and a validity rate of 97.6 percent.**

**Valid sample survey:** 1) Sex makeup: male 52.89 percent, and female 47.11 percent. 2) Age makeup: 14-19 year-olds, 10.05 percent; 20-24 year-olds, 36.34 percent; 25-29 year-olds, 35.85 percent; 30-34 year-olds, 15.07 percent; and over 35 years of age, 2.67 percent. 3) Literacy level: illiterate, 0.23 percent; grade school, 0.79 percent; junior high school, 14.02 percent; senior high school, 47.65 percent; and college, university, and above, 37.31 percent. 4) Occupation: managers, 20.97 percent; ordinary office workers, 14.71 percent; specialized technicians, 14.52 percent; commercial service personnel, 3.50 percent; self-employed, 3.16 percent; workers, 15.53 percent; farming, forestry, livestock raising, and fishery workers, 10.40 percent; other hard-to-categorize workers, 4.34 percent; and others, 12.86 percent

## Science & Technology

### Government Seeks Increase in Nuclear Power Generation

*OW1503062995 Tokyo KYODO in English 0411 GMT  
15 Mar 95*

[By Kazuko Tamura: "China Plans 30-Fold Boost in Nuclear Power Generation"]

[FBIS Transcribed Text] Shenzhen, China, March 15 KYODO —Visitors to the Guangdong Daya Bay nuclear power plant are greeted by a large eight-character exhortation to "develop nuclear power plants for the people's benefit."

The plant in Shenzhen in China's southern province of Guangdong has two of the three pressurized water reactors which went on line in China last year as the first batch of some 30 planned reactors along the nation's coastal areas.

The country, with a population of 1.2 billion, wants to boost production of electricity more than 10-fold over the current level in the near future, said Chen Zhaobo, senior official at both the China Atomic Energy

Authority of the Bureau of International Cooperation and its affiliated company, China National Nuclear Corp.

"The nation's per-capita supply of electricity is estimated then to become only half of that in the United States," he said.

The task of raising funds for the construction of many reactors is a major problem because most of the industrialized countries, such as the U.S. and Japan, remain cautious over the subject for political reasons.

A main concern is that China reportedly wants to sell its nuclear technology to countries such as Pakistan and Iran which have not joined the nuclear Nonproliferation Treaty.

Chinese authorities and many engineers involved in the projects, however, seem undaunted, encouraged by success in deploying the three reactors.

Chow Hai Yoong, first deputy general manager of the Shenzhen plant, said, "We have successfully established the base for the nation to become a prominent country in the world with nuclear power facilities in the near future."

Among factors spurring such enthusiasm are apparently the chronic electric power shortages and a mounting need in the nation to ease air pollution arising from the extensive use of coal.

According to official data, China's electricity generation hit 183 gigawatts in 1993—about the same output as Japan.

But in per-capita supply, China's output stands at a tenth of Japan's level, a twentieth of that in the U.S. and a third that of the world average.

With the recent rapid economic growth of the nation, the increase in the electricity supply has trailed demand by about 20 percent each year.

Moreover, 75 percent of the existing electricity supply depends on coal, 24 percent on water and only 1 percent on nuclear power.

The Shenzhen plant's two reactors, that can each generate 900 megawatts, mark the first step toward meeting the nation's massive need for electricity.

Chow, at the Shenzhen plant, said the two reactors have operated at 70 percent and 99 percent capacity since going on line in February and May last year.

About 90 percent of the 4 billion dollar development costs for the reactors came from overseas business groups, with technology mainly from France.

China and Hong Kong jointly set up an operating company for the plant, with Beijing putting up three-quarters of the capital and Hong Kong one-fourth.

Chow said the reactors started operation about 10 months later than the original plan because ensuring the safety of the facilities took more time than expected due to various problems, partly stemming from communication difficulties among foreign and Chinese staffers.

"It was a good learning opportunity for everybody," Chow added, however.

Asked about communication in times of emergency, Qian Juhui, chief engineer of the plant, said warnings will be issued in English, then in Chinese, to ensure people know what is happening.

Meanwhile, at the Qinshan nuclear power plant in Zhejiang Province, another pressurized water reactor with a generation capacity of 300 megawatts has been working without major problems since last April.

It is the first reactor to be designed, built and put into operation by China itself.

Yao Qiming, general manager of the plant said, "The success of the reactor has heightened confidence about Chinese technology."

China provided 70 percent of the construction costs of about 1 billion yuan, and 90 percent of the costs for installation of the facility made by the U.S., Japan, France and others.

Workers at the plant are all university graduates, majoring in nuclear physics, according to one plant worker. Many of them also had a training period in overseas nuclear power plants, he added.

Lei Youyu, deputy director general of the National Nuclear Safety Administration, said, "I understand Japan is cautious about the safety of nuclear power plants in China. But there is no need to worry because Chinese plants are operating based on international safety standards with trained people."

China, one of five countries in the world to publicly declare it has nuclear weapons, is the 30th country in the world in terms of putting nuclear technology to peaceful uses.

Although most of Beijing's planned nuclear reactors still remain on the drawing board due to a lack of funds, the nation is determined to expand its nuclear capabilities and is currently constructing at least four more reactors.

## General

### XINHUA Sponsors Oil Conference in Beijing

OW1403133095 Beijing XINHUA in English 1313  
GMT 14 Mar 95

[FBIS Transcribed Text] Beijing, March 14 (XINHUA)—People from 115 oil companies and financial institutions in 18 countries attended the China Oil Conference here today to discuss challenges and opportunities that the Chinese oil industry is facing.

The two-day conference will discuss the future of China's oil industry on the land, its offshore oil industry, oil refining and processing industry, and foreign companies' operations in China.

Discussions will focus on changes in the oil business which have been affected by the fact that the development of China's oil industry is lagging behind its economic growth rate.

China has become an important energy market in the world because of its fast growing economy, and the conference comes at a time when China is providing more opportunities for foreign cooperation in oil and gas exploration and development.

Officials with the State Planning Commission say that China welcomes foreign investment in oil and gas exploration in those districts opened to the outside world.

The conference, sponsored by the XINHUA NEWS AGENCY, is aimed at enhancing foreign investors' understanding of China's oil industry so that investment opportunities can be provided.

In 1994, China produced 146 million tons of crude oil, but with the growing demand for oil, the country will need more investments in the field for a period of time, people in the oil circles said.

### Commentator Links Reform, Enterprise Management

HK1503065395 Beijing RENMIN RIBAO in Chinese  
22 Feb 95 p 1

[Commentator's article: "Deepening Reform Is Inseparable From Strengthening Management"]

[FBIS Translated Text] "Transforming the mechanisms, improving management, building up internal capacity, and enhancing economic efficiency"—this clearly and accurately summarizes a point of immediate significance, which is that there is an inseparable relationship between deepening reform and strengthening management. This also gives expression to a point of eternal significance: The causality between management and economic efficiency. We should call for this more loudly, and should further turn this into the conscious action of all enterprises.

We stress the immediate significance of strengthening management because some enterprises understand reform only as their right to demand more favorable policies and conditions from the upper authorities, and do not pay more attention to improving their internal management through discovering shortcomings and potentials. Once they fail to get the favorable policies they want, they may simply be at a loss for what to do. As a result, they more or less neglect the need to conduct careful and scientific management; neither can reform measures be put into practice as soon as possible, nor can they achieve the expected results.

In fact, reform is aimed at changing the old management structure and system, and replacing them with scientific management. Management and reform are interrelated. Reform instills new driving power and vigor in management, and management lays a foundation for deepening reform. Only by properly combining reform initiatives with management initiatives can we promptly develop the results of the reform without missing the opportunity.

We stress the eternal significance of strengthening management because this is an important way to enhance the quality and efficiency of economic growth. Reform is aimed at emancipating and developing productive forces, and management also yields productivity. Through building up the internal capacity of an enterprise and effectively conducting internal management in all fields, the enterprise will be able to move into a favorable cycle of low input, high output, good quality, low consumption, and high efficiency. Various reform measures may be effective only within a certain period of time or in a certain stage, but management is indispensable every day, every month, and every year. If one neglects this "eternal" thing at any time, one certainly will be punished by it. The successful and unsuccessful experiences of many enterprises have proved this point repeatedly.

While reform is continuously going on in depth at present, we stress the importance of management because we have a new point of view in our understanding of this issue.

While talking about strengthening management, we now refer to the concept of "large management." That is, we should not only properly conduct basic management in such fields as quality, costs, technology, funds, labor, and wages, but should also conduct effective management in various links of the process of establishing the new management structure and the new organizational form of the enterprise. Therefore, while continuing to do a good job in basic management, we also should creatively adopt new forms to conduct a new type of management by closely linking this with the implementation of various reform measures. In short, in order to meet the requirements of the establishment of the socialist market economy structure, our management work in all aspects should be done carefully, and should achieve positive

results in order to raise enterprise management to a new level. Of course, basic management must never be taken lightly, and more solid efforts should be made to improve basic management too.

At the Fourth Session of the 14th CPC Central Committee, Comrade Jiang Zemin pointed out that with regard to in-depth reform, "the key lies in the separation of government and enterprise, the improvement of enterprise internal management, and the gradual establishment of the social insurance system." The three phrases clearly point out the relationships between the government and the enterprise, and between things inside and outside the enterprise. Reform can hardly be advanced if any one of these three points is neglected. This shows the weighty significance of internal management.

The present conditions of enterprises also require us to further strengthen management. At present, many enterprises are facing various difficulties, but many of them also have yet to tap their internal potential. As long as they improve their internal management and raise the level of their management, they still can achieve remarkable economic results. This will not only benefit their own development, but will also play a positive role in enhancing the overall quality of the operation of the national economy and in curbing inflation.

Under the leadership of the party Central Committee and the State Council, last year's major reform measures in the financial and tax system, the monetary and banking system, the foreign exchange system, the foreign trade system, and the investment system created a favorable macroeconomic environment for in-depth reform and management improvement in enterprises. We should grasp this opportunity, make great efforts to explore new ways to strengthen management, do a better job in this aspect of great immediate and eternal significance, and attain a new level.

#### Average Annual Salary of Workers Reaches RMB 4,510

HK1503071595 Beijing ZHONGGUO XINWEN SHE  
in English 1308 GMT 14 Mar 95

[FBIS Transcribed Text] Beijing, March 14 (CNS)—According to the latest statistics of the State Statistical Bureau, last year the salary of workers increased rapidly and the average annual salary of workers reached RMB [Renminbi] 4,510.

According to the statistics, the total salary of workers given in the whole country reached RMB 665 billion, which had increased by 35.3 percent compared with 1993. The average annual salary of workers was RMB 4,510, which had increased by 33.8 percent compared with the year before. Taken inflation into consideration, the growth was 7 percent in real terms, a relatively high level in recent years.

There were many factors for the rapid increase in salary last year. One was the reform of the system of civil servants. Second, production increased rapidly and social labour productivity increased evidently. Third, every region and institution increased salary to compensate for the rise in price. Fourth, the automatic mechanism for restricting the growth in salary in enterprises is relatively poor. Lastly, the malpractice in reform of salary in some departments and institutions was another contributing factor.

#### Commentator Urges Doing Good Job of Tree-Planting

HK1503102895 Beijing RENMIN RIBAO in Chinese  
12 Mar 95 p 3

[Commentator's article: "Let Us All Take Part in Afforestation in the Spring Month of March"]

[FBIS Translated Text] Today is tree-planting day. Once again soldiers and civilians in their hundreds of millions across the country go to the fields, hillocks, and streets to plant trees in the vast land of China.

Some time ago, the party Central Committee and the State Council commended Anhui, Hubei, Jiangxi, Zhejiang, Guangxi, and Shandong for their success in eliminating barren hills suitable for tree-planting last year. If we add these to the three provinces, i.e. Guangdong, Fujian, and Hunan, which succeeded in eliminating barren hills suitable for tree-planting two years ago, there are now nine provinces and regions in China which have basically eliminated barren hills suitable for tree-planting. This is an extraordinary achievement for China, where there was indiscriminate felling of trees and serious soil erosion. Meanwhile, new headway has also been made in the seven key forestry projects, such as the three-north forest belt, the middle and lower reaches of the Chang Jiang, the coastal areas, the plains, and the Taihang Shan, which have been launched one after another since reform and opening up. This shows that China's afforestation undertaking is full of vitality and therefore worthy of congratulation.

With the institution and development of China's socialist market economic structure, the task of forestry construction is even heavier and afforestation is of greater significance. The ecological environment needs to be improved, water needs to be conserved, soil erosion needs to be checked still further, forestry products for people's daily lives and industrial production need to be enriched and supplied in a greater variety.... All this sets higher demands on China's forestry construction and afforestation. A central leader recently pointed out: Whether or not China can effectively resist various natural calamities, bring into play the efficiency of its water conservation facilities, and ensure a high, stable yield for agriculture and animal husbandry in the future is, to a large extent, determined by the speed and results of forestry construction and afforestation. We must have a sober and adequate understanding on this score.

Plant trees everywhere and make the country green. This is a strenuous and difficult task. On the one hand, we must have a sense of urgency and firmly grasp this work; on the other hand, we must draw lessons from the previous practice of "planting trees with no regard for the results" and put this great cause, which is vital to the nation for centuries to come, on a scientific and practical basis.

Our present task of eliminating barren hills is still a very arduous one. There are still a few provinces and regions which have not accomplished the task of eliminating barren hills. They should learn from the advanced experience of other localities. By building up confidence and intensifying work they will certainly be able to eliminate barren hills suitable for tree-planting at an early date. In the course of "eliminating barren hills," we should take into full account the ability of all quarters to withstand the strains and rationally arrange the speed of afforestation. We should not engage in blind competition or formalism, nor should we lower the standard by doing a crash job, still less should we again resort to deception. Those localities which have succeeded in eliminating barren hills must overcome the idea of laxity or of "having arrived at the station." Eliminating barren hills is not tantamount to making them green. In many places the elimination of barren hills is at a low level. A lot of management and protection is still needed to consolidate the achievements we have made so far in eliminating barren hills. For this reason, it is necessary to put this work in equally as important a place as afforestation and elimination of barren hills.

A lot of work still needs to be done in forestry construction, such as comprehensively stepping up protection and management of forest resources, exploiting forestry resources, readjusting and optimizing forestry structure, developing forestry industry, and boosting construction in mountain and sandy areas. But in the final analysis, the most important thing is to plant trees according to a high-quality standard and manage and protect well the trees already planted so as to make our country really green at an early date.

The whole year's tree-planting depends on a good start in spring. The spring month of April, which is full of bright sunshine and gentle breezes, is just the perfect season for afforestation. May our motherland be decorated with more stretches of green land.

### Foreign Trade & Investment

#### Fujian Urges Improvement of Investment Environment

HK1503105395 Fuzhou Fujian People's Radio Network in Mandarin 2300 GMT 28 Feb 95

[FBIS Translated Excerpt] Yesterday Governor Chen Mingyi held a discussion with the participants at a

provincial meeting on improving the intangible environment for foreign investment and made an important speech. Vice Governor Zhang Jiakun presided over the discussion.

Chen Mingyi stressed: A good investment is an important guarantee for stimulating our openness to move onto a higher level and into a deeper sphere. We must unify our understanding, strengthen our sense of urgency for improving the intangible environment, and form a new image for Fujian's intangible investment environment. He added: Since the introduction of reform and opening up, the provincial party committee and government have taken serious account of improving the intangible investment environment. As part of improving the tangible environment for foreign investment, Fujian has built a number of airports, harbors, ports, power stations, and post and telecommunications facilities. In improving the intangible environment, the provincial and local authorities have taken many measures to facilitate investment. But we must understand that our investment environment remains unsatisfactory.

Chen Mingyi continued: On the eve of the Spring Festival, General Secretary Jiang Zemin made an important speech on the Taiwan issue. The proper implementation of his speech will greatly stimulate Fujian's reform, opening up, and modernization. During the Spring Festival, Premier Li Peng came to Fujian and urged us to bring into play the role of returned overseas Chinese and Fujian's strong point of being close to Taiwan. [passage omitted]

These speeches serve as a powerful impetus for us to achieve new successes.

#### Zhejiang Reports Sharp Rise in Exports, Imports

OW1503034895 Beijing XINHUA in English 0303  
GMT 15 Mar 95

[FBIS Transcribed Text] Hangzhou, March 15 (XINHUA)—East China's Zhejiang province reported its imports and exports by 8.44 billion US dollars in 1994, a sharp rise of 37 per cent over the year before, and exports jumping 40 percent, to 6.32 billion US dollars.

About one-quarter of the products made in this coastal province, mainly silk, tea, apparel, processed foods, crafts, medicines, chemicals, textiles, and light industrial products, are for export. Imports include steel, iron ore, rubber, chemical fertilizer, wool, timber, synthetic fibers, and electronic equipment.

The province has developed trade ties with 150-some countries and regions all over the world and set up 300 or more enterprises or trade representatives abroad.

The booming foreign trade has been fueled by a fast growing local economy, according to Zhou Zhenwu, deputy director of the Zhejiang Planning Committee.

Since 1991, the general domestic product has kept an annual growth rate of 20 per cent, reaching 265 billion

yuan (31 billion US dollars) last year. "Therefore, we not only have goods for export, but also money for imports," said Zhou.

The other force is foreign-funded enterprises, which now export one-third of the products in Zhejiang. By the end of last year, the province had approved 10,000-plus joint ventures, using contracts involving foreign capital of up to 10 billion US dollars.

Seaports dotting the coastline provide access to overseas trading partners. There are 63 ports, with 500-some berths. Navigation lines have been opened linking Zhejiang with the United States, Japan, and Hong Kong.

### Agriculture

#### Decision on Supply, Marketing Cooperatives Reform

*HK1503103895 Beijing XINHUA Domestic Service in Chinese 0805 GMT 4 Mar 95*

[FBIS Translated Text] Beijing, 4 Mar (XINHUA)—A few days ago, the CPC Central Committee and the State Council issued a decision on deepening the reform of supply and marketing cooperatives.

The decision points out: Deepening the reform of supply and marketing cooperatives is needed for developing a socialist market economy, and is an important aspect of rural reform as a whole. It is of great significance to strengthening the fundamental role of agriculture, establishing and perfecting the agricultural socialized service system, promoting the development of the urban and rural economies, strengthening the party's and government's close ties with peasants, and consolidating the worker-peasant alliance. Party committees and governments at all levels should attach great importance to it, and should make great efforts to achieve it.

The CPC Central Committee's general idea for deepening the reform of supply and marketing cooperatives is: Proceeding from the need for rural economic development, from the need to establish a socialist market economy structure, and from the immediate need for the reform of supply and marketing cooperatives themselves, we should bear closely in mind the objective of really developing supply and marketing cooperatives into peasants' cooperative economic organizations; should seize the five links of straightening out the organizational structure, strengthening service functions, perfecting the management mechanism, strengthening supervision and management, and giving protection and help; should adopt practical and effective policies and measures, with emphasis on basic-level supply and marketing cooperatives, so that supply and marketing cooperatives really can have the nature of peasants' cooperative economic organizations, really achieve the goal of offering comprehensive services to agriculture, to rural areas, and to peasants, and really

become a bridge or link strengthening the party's and government's close ties with peasants.

The decision says that really developing supply and marketing cooperatives into peasants' cooperative economic organizations is the fundamental objective of deepening reform, and that in order to achieve this objective, it is most important that the following three things be upheld:

It is necessary to uphold the collective ownership nature of supply and marketing cooperatives. It is necessary to guarantee that peasants joining the cooperative share in owning property, enjoying rights, and assuming responsibilities and obligations. The collective property of supply and marketing cooperatives must not be transferred and divided for possession by individuals. The practice of some localities in arbitrarily transferring or managing the property of supply and marketing cooperatives and subsidiary enterprises, dispensing their property to staff and workers or individuals, or changing supply and marketing cooperatives into joint-stock companies or joint-stock cooperative companies, runs counter to the nature of supply and marketing cooperatives, and it must resolutely be corrected. It is necessary to really confirm the status of property owners through laws, systems, and policies, and to protect their rights and interests.

It is necessary to uphold the goal of offering comprehensive services to agriculture, rural areas, and peasants. In line with establishing and perfecting an agricultural socialized service system, the major tasks of supply and marketing cooperatives, which are peasants' cooperative economic organizations, are to offer good services to agriculture, rural areas, and peasants; to continuously meet the various actual needs of peasants in their production; to promote the development of the rural economy and the improvement of peasants' income level; to accomplish things that cannot be achieved or cannot be done well by a single household; and to link the separate operations of thousands of households with the big market.

It is necessary to uphold the principles of the cooperative system, such as voluntariness, mutual benefit, democracy, and equality. It is necessary to respect peasants' will, insist on their coming together voluntarily for mutual benefit, put into practice democratic management and democratic supervision, and ensure that peasants have their due rights in the activity of supply and marketing cooperatives.

The decision calls for straightening out the organizational structure of supply and marketing cooperatives, and striving for peasants' broader joining in supply and marketing cooperatives in keeping with the principle of voluntariness so as to fully embody their collective nature. It says: It is necessary to insist that peasants voluntarily join a supply and marketing cooperative and freely withdraw from it, and that they must not be forced or ordered to do so. The internal management system of

supply and marketing cooperatives should be straightened out, in keeping with the principle of democracy. Supply and marketing cooperatives should implement the representative meeting system, and should form boards of directors and supervisors. The boards should consist of a fixed proportion of representatives of cooperative members. They should lead members to hold democratic elections, put into practice the contract system for the hiring and appointment of staff and workers, and carry out democratic consultations for major policy decisions and conduct democratic supervision for operations and management, thus fully bringing out democracy. For the day-to-day work of supply and marketing cooperatives at all levels, the board of directors responsibility system should be implemented.

Supply and marketing cooperatives at all levels should withdraw themselves from government administrative organizations, in keeping with the principle of separating the functions of the cooperatives from those of government. Where necessary, they may assume tasks entrusted by the government, and may carry out some functions as empowered by the government. The government should guide, coordinate, support, and supervise them according to the law and policies. Enterprises under supply and marketing cooperatives at all levels are independent legal persons. They have independent rights to operate, to use labor, and to distribute, and they operate independently, assume sole responsibility for profits and losses, develop on their own, and regulate themselves.

The decision calls on all supply and marketing cooperatives to give priority to serving agriculture. It says: All activities should be based on establishing and perfecting the agricultural socialized service system. Good services should be ensured for agriculture, rural areas, and peasants. It is necessary to foster the firm awareness of wholeheartedly serving agriculture, to further change management methods, and to improve management patterns. It is necessary to vigorously develop the contract system, the associated operation system, the agent system, and the profit-retrieval system [li run fan huan zhi 0448 3387 6604 6703 0455]. Stable purchasing and marketing relationships should be established with peasants so that agricultural production can better meet market needs and so that peasants get more benefit. They should vigorously open up fields of service and expand the scope of business. Supply and marketing cooperatives should make great efforts to do whatever is beneficial to meeting the needs of agriculture, rural areas, and peasants, and whatever is beneficial to invigorating urban and rural economic activity. The departments concerned should give them active support.

It is necessary to vigorously increase the extent of their opening to the outside world; to develop economic and technological cooperation and trade relations with the rest of the world; to attract foreign capital, technology, and advanced management experience; and to continuously increase foreign exchange earnings from exports.

Relevant government departments should give active support to supply and marketing cooperatives in their foreign trade and economic activities, and should manage them according to the law.

The decision demands that the management mechanism of supply and marketing cooperatives must be established on the basis of not setting their major objective as seeking profits from cooperative members while running their economic activities as enterprises do; improving economic performance, and continuously improving their own ability to serve agriculture.

The size of cooperatives set up by basic-level cooperatives should be adjusted appropriately, and the efficiency of an appropriate scale of operation should be improved. The supervision and management of supply and marketing cooperatives should be strengthened, as should the government's protection of and support for supply and marketing cooperatives.

The CPC Central Committee and the State Council have decided to set up the China National Supply and Marketing Cooperative, which will be the liaison organization for supply and marketing cooperatives across the country. It will be placed under the leadership of the State Council. Its functions and tasks are: Take charge of the research and formulation of development strategies and plans for supply and marketing cooperatives across the country; guide the development and reform of supply and marketing cooperatives across the country; organize, coordinate, and manage the trading of important agricultural means of production, and agricultural and sideline products; safeguard the legitimate rights and interests of supply and marketing cooperatives at all levels; coordinate relationships with the departments concerned, guide the business activities of supply and marketing cooperatives across the country, and promote the exchange of materials between cities and the countryside; propagate and implement the CPC Central Committee's and the State Council's principles and policies for rural economic work; and represent China's cooperatives in all activities held by the International Cooperatives Alliance.

In the opinion of the CPC Central Committee and the State Council, the reform of supply and marketing cooperatives is not simply a reform in the area of commodity circulation, nor is it simply the organizational reform of supply and marketing cooperatives themselves, but it is an important part of the reform of the entire economic structure, and especially of the rural economic structure. It involves relationships between cities and the countryside, between industry and agriculture, and between production and circulation; has a wide-ranging influence; and requires different policies for different situations. Proceeding from the importance of comprehensively developing the rural economy, party committees and governments at all levels should strengthen leadership over the restructuring of supply and marketing cooperatives so that the reform will

proceed in an organized, gradual, positive, and steady way, and so it can produce practical results.

### Commentator on Reform

HK1503104595 Beijing XINHUA Domestic Service in Chinese 0506 GMT 6 Mar 95

[“Special commentator’s article”: “Major Measures for Promoting Rural Economic Development”]

[FBIS Translated Text] Beijing, 6 Mar (XINHUA)—Deepening the reform of supply and marketing cooperatives is an important aspect of rural reform, and is of very great significance to strengthening the fundamental role of agriculture, further deepening rural reform, promoting rural economic development, continuously increasing peasants’ income, and building the party’s and government’s closer ties with peasants. The CPC Central Committee and the State Council’s “Decision on Deepening the Reform of Supply and Marketing Cooperatives” is an important measure that has been adopted to promote rural economic development on the strategic plane of strengthening the fundamental role of agriculture.

Judging from the objective of establishing a socialist market economy structure, deepening the reform of supply and marketing cooperatives is both an immediate need, when tens of millions of peasants have headed for the market, and is an actual requirement for strengthening the agricultural foundation and consolidating rural socialist public ownership as the mainstay, and for the state to strengthen macroeconomic regulation and control. On the one hand, as rural reform further deepens, rural areas are faced with the arduous task of further developing the market economy. On the basis of stabilizing the contract responsibility system on a household basis with renumeration linked to output, and of establishing peasants as the backbone of production, tens of millions of peasants who are producing and operating in a scattered way badly need to be organized and joined together to enter the market, and to link small-scale production to the big market so as to reduce market risks as they engage in commodity production and trading. This demands that supply and marketing cooperatives, which are peasants’ cooperative economic organizations, offer various economic, technological, and information services to peasants, and become the backing for vast numbers of peasants as they enter the market. On the other hand, stabilizing the agricultural foundation, developing the rural economy, increasing peasants’ income, guaranteeing the steady growth of the effective supply of farm products, ensuring that the state has control over important materials, and maintaining the basic stability of urban and rural markets and commodity prices will be an arduous task for us for a fairly long time to come. In this sense, the state needs an economic organization like the supply and marketing cooperative. As entrusted by the state, while assuming the tasks of purchasing, storing, supplying, and marketing major farm products that have a bearing on the

national economy and the people’s livelihood, the supply and marketing cooperatives relay the state’s various policies and its regulation and control measures to peasants more smoothly, and lead and organize peasants to develop agricultural production according to national and social needs. This, undoubtedly, is of great practical significance to promoting the sustained, rapid, and healthy development of the rural economy, and to leading peasants to the path toward common prosperity. Therefore, we should approach and view the reform and development of supply and marketing cooperatives from the perspective of agriculture, rural areas, and peasants, which have a bearing on the situation as a whole. Practice over the past 40 years or more has proved that whenever we attach importance to and strengthen supply and marketing cooperatives, agriculture, rural areas, and peasants will benefit, and whenever we neglect and weaken supply and marketing cooperatives, agriculture, rural areas, and peasants will suffer.

Judging from the development of supply and marketing cooperatives themselves, only by deepening reform can supply and marketing cooperatives have a way out and develop better. Facts tell us that supply and marketing cooperatives are an important force that makes the rural economy boom. Moreover, agriculture, rural areas, and peasants are the solid foundation for the survival and development of supply and marketing cooperatives. The development and boom of the rural economy is the starting point and basis for all the work of supply and marketing cooperatives. Supply and marketing cooperatives and the rural economy are of one body. As one fails, so will the other, and as one booms, so will the other. If supply and marketing cooperatives were to divorce themselves from agriculture, rural areas, and peasants—which are the foundation—then supply and marketing cooperatives would be like water without a source or a tree without roots, and would lose their reason for existence. Therefore, better serving agriculture, rural areas, and peasants, and promoting the development of agriculture and the rural economy toward a socialist market economy is both the unshirkable duty of supply and marketing cooperatives and their basis for survival and development. We should note that over the past 40 years, and particularly since reform and opening up, supply and marketing cooperative have adhered to the goal of serving agriculture and being based on rural areas and oriented to the market. This they have done under the leadership of the CPC Central Committee, the State Council, and of party committees and governments at all levels, and under the guidance of the idea that supply and marketing cooperatives are based on agriculture. They have made an important contribution to the development of the rural economy and to the enlivening of commodity flows between urban and rural areas. Supply and marketing cooperatives themselves also have become a fair-sized service system, with 5.8 million cadres and staff and workers, nearly one million operating points in a network that covers the whole country, and an annual turnover of 900 billion yuan. However, we

also should admit that some time ago, for various reasons, supply and marketing cooperatives had a rough structure and lacked vitality, their awareness of serving agriculture was weak, their service was weakened, and they did not play their role as they should. This is considerably out of step with the objective of establishing a socialist market economy structure, and does not suit the development of the rural economy or meet the demands of peasants. It badly needs to be changed through deepened reform so that supply and marketing cooperatives can better serve agriculture, rural areas, and peasants. Only by doing so can the undertakings of supply and marketing cooperatives boom. If not, supply and marketing cooperatives will be divorced from the vast numbers of peasants, their nature will change, their functions will shrink, and their organization will perish, and this would be extremely unfavorable to agriculture, rural areas, and peasants.

The CPC Central Committee and the State Council have always attached great importance to the reform of supply and marketing cooperatives. In particular, since the entire economic restructuring began a new stage where major breakthroughs are being made, the CPC Central Committee and the State Council have set out the demand for increasing the extent of the reform of supply and marketing cooperatives, and have made a series of decisions. The Third Plenary Session of the 14th CPC Central Committee's "Decision on Several Questions Regarding the Establishment of a Socialist Market Economy Structure" states: "Supply and marketing cooperatives at all levels should continue to deepen reform, really develop into peasants' cooperative economic organizations, and actively explore new ways of developing into organizations that offer comprehensive services." This decision has defined the nature of supply and marketing cooperatives, and has given a clear direction for deepening the reform of supply and marketing cooperatives. Now the CPC Central Committee and the State Council have made the "Decision on Deepening the Reform of Supply and Marketing Cooperatives" in order to further define the important role and functions of supply and marketing cooperatives in the rural economy. They also have adopted and formulated a series of policies and measures to effectively guide supply and marketing cooperatives to deepen reform. Moreover, the fact that the CPC Central Committee and the State Council decided to set up a national supply and marketing cooperative is undoubtedly of great significance to strengthening the work of supply and marketing cooperatives throughout the country, to the coordination and guidance of reform, and to promoting the development of supply and marketing cooperative undertakings so that they can meet the needs of rural economic development and of establishing a socialist market economy structure. Supply and marketing cooperatives at all levels should resolutely and conscientiously implement the decision of the CPC Central Committee and the State Council, and should make great efforts for the reform of supply and marketing cooperatives, with the

emphasis on developing supply and marketing cooperatives into peasants' cooperative economic organizations. This is also crucial as we determine whether the reform of supply and marketing cooperatives succeeds or not.

The reform of supply and marketing cooperatives is not merely a reform in the area of commodity circulation. Nor is it merely the organizational reform of supply and marketing cooperatives themselves. It is an important component of the reform of the entire economic structure, and especially of the rural economic structure. It involves relationships between cities and the country, between industry and agriculture, and between production and circulation. It has a wide-ranging influence, and requires different policies for different situations. Therefore, party committees and governments at all levels should strengthen leadership over the reform of supply and marketing cooperatives so that reform can proceed positively, steadily, and smoothly.

#### **Guangdong Takes Measures To Protect Farmland**

*OW1403034695 Beijing XINHUA in English 0250  
GMT 14 Mar 95*

[FBIS Transcribed Text] Guangzhou, March 14 (XINHUA)—South China's Guangdong Province has taken some practical and down-to-earth measures in protecting its farmland.

Last year, the province put 31 million mu (2 million ha [hectares]) of its arable land under close protection, but with the growing need for land, farmland protection has become a task that is difficult to carry out.

According to a regulation recently passed by the municipal people's congress, arable land in the province should be held to a minimum of 37.7 million mu (2.5 million ha), and nonagricultural land use should not surpass 940,000 mu (62,700 ha). There are also plans to cultivate an additional 700,000 mu (47,000 ha) of farmland.

The province will launch an all-out assessment of farmland used for nonagricultural purposes across the province this year. Arable land that has been misused or has lain idle will be returned to agricultural production in the near future.

The provincial government set the amount of provincial land used annually for construction at 620,000 mu (41,000 ha), including arable land of not more than 236,000 mu (16,400 ha).

The province will also strictly control the area of urban construction, land used in real estate, and the construction of development zones. It has temporarily stopped the approving of new real estate development companies or development zones.

#### **Sichuan Leader Chairs Meeting on Agricultural Work**

*HK1503100795 Chengdu Sichuan People's Radio Network in Mandarin 2300 GMT 28 Feb 95*

[FBIS Translated Text] Provincial Party Secretary Xie Shijie called and presided over a discussion meeting of

cadres at the provincial, city, county, township, and village levels in Wenjiang County yesterday [28 February] to discuss this year's plan for agricultural development.

First of all, the participants studied the important speeches of General Secretary Jiang Zemin and Premier Li Peng at the national conference on rural work, which was held on 27 February. Comrades in charge of the relevant departments at the provincial level; in Chengdu; and in the counties of Wenjiang, Xinjin, Shuangliu, and Pixian; as well as some cadres at the township and village levels exchanged views on the situation of striving for a bumper agricultural harvest, and on the problems in the current agricultural production and rural work. They put forward specific measures and suggestions. All agreed to conscientiously implement the important strategic plans of the party Central Committee, the State Council, and the provincial party committee and government; to handle correctly the problems existing in agriculture, in the countryside, and among the peasants; and to strive to win a bumper agricultural harvest this year.

Comrade Xie Shijie was the last to speak at the meeting. First of all, he stressed, party and government leaders at all levels should deepen their understanding, and should be determined to fight the overall battle to strive for a bumper harvest while overcoming natural disasters. He said: Striving for an increase in grain output this year is the priority of priorities in this year's agriculture and rural work. This is of greater importance to Sichuan Province because the province has suffered a reduction of grain output for two years running, but its population is growing, its cultivated land is diminishing, the consumption demand of the urban and rural population is increasing, and the contradiction between supply and demand thus has become extremely pronounced. If the current grain production situation does not turn for the better, this surely will have an adverse effect on stability in rural areas, and even in society as a whole.

In his speech, Xie Shijie stressed: To reap a bumper harvest this year, responsibility should be made clear, leadership should be strengthened, and close attention should be paid to policy implementation. The provincial party committee and government should be responsible

for, and pay close attention to grain production, and all prefectures, cities, counties, and townships should be clear about their tasks, shoulder important tasks, and work hard. In developing agriculture, we should rely on policies, science and technology, and investment. What counts at present is policy implementation. Funds for agricultural development purposes should be invested in production at an early date so as to bring benefits and to increase both output and revenue.

In his speech, Xie Shijie went on to stress: We should take powerful measures to carry out the current production in a down-to-earth manner. First, we should carry out production of late-fall crops well, and should strive to increase output in production. Second, we should energetically implement measures to increase output in the production of spring crops.

In conclusion, Xie Shijie said: The enthusiasm of the peasants and cadres should be brought into play by stabilizing policies. The task of increasing agricultural production this year is arduous and the situation is grim, but as long as the broad masses of cadres and people get fully mobilized and work together with one heart, the task can be fulfilled.

#### ABC Commends Sichuan Branch for Agricultural Loans

OW1503034995 Beijing XINHUA in English 0251  
GMT 15 Mar 95

[FBIS Transcribed Text] Chengdu, March 15 (XINHUA)—The Agricultural Bank of China (ABC) has commended its Sichuan branch and local credit cooperatives in Sichuan Province for leading the country in issuance of loans to agriculture over the past year.

The ABC Sichuan branch and credit co-ops granted a total of 15.1 billion yuan in loans to agriculture-related projects in 1994, 32 percent over the figure for the previous year, according to statistics figures released by the bank.

To make efficient use of limited funds, the province has worked out a new policy giving priority to supplies of farm production materials and disaster relief funds, the operation of profitable industrial and commercial enterprises, and development of new industries.

### East Region

#### Shandong People's Congress Work Report SK1503000695 Jinan DAZHONG RIBAO in Chinese 28 Feb 95 p 2

[Report by Li Zhen, chairman of the standing committee of Shandong Provincial People's Congress, on the work of the standing committee of Shandong Provincial People's Congress at the third session of the eighth Shandong People's Congress on 21 February]

[FBIS Translated Text] Fellow deputies:

Entrusted by the standing committee of the provincial people's congress, I make a report to the session on the work of the standing committee done after the convocation of the second session of the eighth provincial people's congress for the session's examination.

In 1994, the standing committee of the provincial people's congress, in accordance with the requirements of the party and the state's general task, insisted on taking the theory of building socialism with Chinese characteristics and the party's basic line as guidance, conscientiously carried out the spirit of the second session of the eighth provincial people's congress, as well as the work meeting of the provincial people's congress, actively performed all the functions and powers entrusted by the Constitution and law, made great efforts to strengthen the construction of socialist democracy and legal system, and played an active role in insisting on and perfecting the system of the people's congress, as well as guaranteeing the establishment of Shandong's socialist market economy and the smooth progress of the modernization drive.

#### 1. We Conformed to the Requirements of Economic Development and Accelerated the Pace of Local Legislation

In 1994, the standing committee insisted on the correct guiding thoughts on legislation, observed the principles stipulated by the Constitution and law, proceeded from Hebei's reality, strengthened our measures, paid firm attention to quality, and accelerated the speed of legislation. In 1994, we stipulated and approved 53 local laws and regulations one after another. Of this, 25 were stipulated by the province, and 28 of them were stipulated by Jinan, Qingdao, and Zibo. In legislation work, the standing committee insisted on giving priority to economic legislation. Among the laws and regulations we stipulated, more than 60 percent concerned the socialist market economy. Of them, the regulations on administering the trade of the urban real estates, the regulations on administering the communication market, the regulations on punishing the unlawful behaviors of producing and selling the counterfeit and bad commodities, the regulations on administering economic contracts, the methods for implementation of the "law on product quality," the regulations on labor administration in the foreign-funded enterprises, and the regulations on the

labor administration in the economic and technological development zones provided a legal guarantee for standardizing the behaviors of the mainstay of the market, for safeguarding the market order, and for leading as well as promoting the healthy development of the socialist market economy. At the same time, we also stipulated the regulations on the improvement of science and technology, as well as the temporary regulations for administering TV; implemented the measures of the "security law"; and revised the regulations on administering the preservation of cultural relics. This played an important role in promoting the development of the scientific and cultural undertakings, as well as the betterment of the society.

In order to smoothly accomplish the task of legislation, we upheld the following points in the legislation work: First, we stipulated a plan for legislation. A special body was established to conduct scientific appraisals of the projected legislation items. After repeated solicitations of opinions, the special body worked out a plan for legislation. The plan, after being discussed and approved by the chairmanship meeting, was submitted to the provincial party committee by the standing committee, and it was organized to be implemented after the provincial party committee's approval. Second, we accelerated the speed of legislation. Basing ourselves on the ideas of "establishing urgently needed laws first, establishing easier ones prior to difficult ones, supplementing the laws promptly, and continuing to do the improvement work," we paid firm attention to the drafting and appraising of the legislation projects urgently needed, and arranged them to be examined as soon as possible. At the same time, we paid attention to study and drew experiences from the whole state, took the reality of our province into consideration, and stipulated local laws and regulations that had our own characteristics. Third, we attached importance to the quality of legislation. We persisted in the principle of unifying the legal system, safeguarded the basic interests of the state and the people with more initiative, and guaranteed in a strict manner the drafting, examination, and approval. Fourth, we achieved success in the task of organization as well as coordination. We attached importance to the construction of the special legislative organization and the special legislative contingent, and strengthened the task of organization and coordination of the relevant departments and units.

The standing committee, in accordance with the requirements of the National People's Congress [NPC], solicited as well as submitted opinions and suggestions for revision on 20-odd drafts of laws, such as the auditing law, arbitration law, law on the People's Bank of China, law on commercial banks, publication law, labor law, and judge law.

#### 2. We Focused on Reform, Development, and Stability to Improve and Strengthen the Work of Supervision

The year 1994 was a year in which all our measures of reform were issued in a relatively concentrated manner.

To guarantee a smooth progress of reform and construction, the standing committee improved the legal supervision and work supervision to the government, the court, and the procuratorate. In 1994, we sent, one after another, 34 inspection and examination groups to conduct inspection and examination to the implementation of 13 laws and regulations, listened to and examined 11 work reports made by the provincial government, provincial court, and provincial procuratorate, organized and launched the relevant inspection and investigation, and coordinated with the NPC to conduct law-enforcement inspections.

In the work of supervision, we particularly strengthened legal supervision. Focusing on farm production and rural work, the standing committee conducted examination and supervision of the implementation of the agriculture law, the law on disseminating agricultural technology, and provisions on administering the peasants' burden. We found some problems in the law-enforcement inspections, such as some of the cadres' thoughts of taking agriculture as the foundation were not firm; the input to agriculture decreased over the years in some localities; the phenomenon of arbitrarily occupying and abusing the cultivated land was fairly serious; the contingent for disseminating agricultural technology was weakened; and the social burden and latent burden of the peasants were still fairly heavy. We submitted opinions and suggestions to the government's relevant departments. To counter the problem of environmental protection, which restricted the development of the economy and which the masses were very concerned about, the standing committee conducted a centralized inspection of the law enforcement of environmental protection. We organized two "Qilu campaigns for the transcentury environmental protection," which evoked strong repercussion in the society and promoted the development of the work of environmental protection. After the activities, the standing committee wrote a report on this special topic to the provincial government, which was promptly commented on and transmitted by the provincial government. The standing committee and the various special committees also conducted inspections and examinations on the implementation of laws and regulations such as the teacher's law, law on mineral resources, company law, statistical law, law on the protection of handicapped people, law on protecting women's rights and interests, law on archives, law on sanitation of foodstuff, provisions on family planning, and provisions on nationality work. We listened to and examined the reports on the implementation of the laws and regulations, such as the law on the organization of the villagers' committee, law on mineral resources, and the trade union law; and we urged the provincial government and the relevant departments to administer all the undertakings according to law.

In 1994, the standing committee strengthened the supervision over the work of the government, the court, and the procuratorate with the focus on the significant tasks and issues in economic development as well as the issues

that the people were universally concerned about. The ninth meeting of the standing committee listened to and examined the reports by the provincial planning commission and the finance department on the implementation of plans and budget. The members held that the economic situation of the whole province was good, but there also existed some problems that should not be ignored. We should have conscientiously carried out the central authority's guideline of strengthening the macroeconomic control, further increased the dynamics of reform, and comprehensively improved the quality of economic operation so we could guarantee a continuous, speedy, and healthy development of the economy of the whole province. The provincial government and the relevant departments, in accordance with the requirements set forth by the standing committee, adopted active measures, and improved work at every respect. The standing committee listened to and examined the reports of price work by the provincial government in view of the hot issue of prices continuing to rise, which concerned the society. The standing committee pointed out that the price situation of Shandong was fairly grim, and that effective measures should be adopted to check inflation in an effort to decrease the prices' rising margin. In order to enhance the in-depth development of the fight against corruption, the standing committee listened to and examined the work reports by the provincial supervision department on the government organizations in the whole province developing the fight against corruption and endeavoring to build a clean government. The standing committee emphasized that we should develop in-depth the endeavors of fighting against corruption and of advocating honesty, and we should pay attention to this with unremitting efforts. The standing committee also listened to and examined the provincial court's work report on implementation, as well as the provincial procuratorate's report on the work of law and discipline examination. The standing committee demanded that they increase their dynamics of enforcing the law, further strengthen the comprehensive administration of public security, and make efforts to safeguard the social stability of the whole province.

Developing the system of deputies making appraisals was an effective way to improve the supervision function of the people's congress. In 1994, the standing committee applied this way of supervision to the departments directly under the province to organize some deputies to people's congress in an effort to appraise the work of the provincial industry and commerce administration bureau. This activity of appraisal not only enhanced the work of the industry and commerce administration departments but also accumulated experiences for achieving further success in the work of the deputies making appraisals.

In 1994, the standing committee strengthened the leadership over the work handling people's complaints, and insisted on as well as perfected the relevant systems. We handled 3,159 letters from the people and receive 3,071 visitors throughout the whole year. Through the work of

handling people's complaints, we supervised and urged the justice organizations and the departments enforcing the law to improve their work, handled and corrected some cases against the law, and safeguarded the legal rights of the people according to law.

### 3. We Maintained Close Contact With the Deputies and Gave Full Scope to the Function of the Deputies

The deputies to the people's congress is the mainstay of the people's congress. Maintaining close contact with the deputies and giving full scope to the function of the deputies is basic work for the standing committee to achieve success in performing its functions and power. In 1994, the standing committee assisted that the deputies know about the situation and government affairs; listened to deputies' opinions and requirements; and strengthened the contact with deputies through various forms, such as inviting deputies to attend the standing committee's meetings as nonvoting delegates, reporting to deputies significant events, assigning standing committee members to contact with deputies, encouraging deputies to participate in the important activities, regularly submitting suggestions for activities to the deputy groups, and convening the deputy work forums. The law on people's deputies is the legal guarantee for deputies to perform their function, and it is also the basis for the standing committee of the people's congress to develop the deputy work. In 1994, the standing committee convened a forum to commemorate the second anniversary of issuance, as well as implementation, of the law on people's deputies, and held lessons on the special topics of the law on people's deputies and measures for its implementation in the province. We also organized the examination on the implementation of the law on people's deputies and the measures for its implementation in the province, and promoted the law and regulations to be really carried out. The standing committee also conscientiously organized and assisted deputies to launch the activities, such as conducting inspection, investigation, and appraisal, and contacting the masses and the election units. Before the convocation of this session, the standing committee of the provincial people's congress and the standing committees of all the city people's congresses jointly organized the deputies to the provincial people's congress to conduct inspection on the implementation of the 1994 plans and budget, on the situation of the industrial output and the enterprises' reform, on the development situation of farm production and the rural economy, and on the situation of enforcing the law to safeguard the market order. A fairly good result was achieved. In 1994, Shandong's deputies to the people's congress, with a high sense of responsibility and mission, conscientiously performed its duties according to law, cautiously immersed themselves in the hard work in all trades and professions and every front, led the broad masses of people to actively dedicate themselves to reform, opening up, and modernization drive, and played the backbone as well as the leading role in developing the socialist market economy and the socialist democratic and legal system.

The deputies to the people's congress making motions and suggestions in the people's congress is an important form of the deputies administering the state's affairs. The standing committee promptly transmitted three motions, which were delivered by the second meeting of the eighth provincial people's congress to be examined, to the relevant special committees to be studied and handled. When examining and handling the motions respectively submitted by the Jinan and Weifang deputy groups on accelerating pollution control over Xiaoqing He, the standing committee fully took into consideration as well as adopted the opinions of deputies. The province established an administration group with a comprehensive plan, which has started to work. The standing committee examined and approved the provincial government's reports on the "overall plan for a comprehensive control of the pollution of Xiaoqing He valley" and made a decision. The law committee of the provincial people's congress conducted an examination on the Dongying deputy group's motion of rationalizing the judicial system of Dongying city, and made a report on the result of examination, which was approved by the 13th meeting of the standing committee. The 353 suggestions, criticism, and opinions made by deputies were handled over by the standing committee to the relevant departments to be studied and handled, and the supervision and examination of the handling of cases were also strengthened. Under the joint efforts and close coordination of all the responsible units, the handling of cases was fairly smooth and its quality was also improved.

In order to strengthen the contact with the standing committees of the city people's congresses, and to support as well as to guide the standing committees of the city and county people's congresses to perform their functions according to law, we convened a chairmanship forum of the city people's congress standing committees and the prefectural people's congress work committees throughout the province last year. At the forum, the situation and experiences of all localities in developing the work of people's congresses were introduced, and the issue of how to further achieve success in the work of people's congresses, especially in the legal supervision, under the new situation was studied and discussed. The standing committee also continued to uphold the system of promptly reporting to, as well as soliciting opinions from, the standing committees of city and county people's congresses whenever confronting important policy-making and important activities, and the system of inviting the comrades in charge of the standing committees of city people's congresses to attend the standing committee's meetings as nonvoting delegates. The standing committee held the sixth discussion class of the work of the local people's congresses. Every special committee, organization, and the standing committees of the city and county people's congresses jointly organized to convene some forums and discussion meetings, in which they conducted exchange of opinions and

discussions on some important situations and issues in the work and construction of the people's congress.

The standing committee exercised their rights of appointing and removing personnel according to law. It appointed 144 personnel for the state organizations, removed 59 people from their offices, and accepted resignations from three people.

#### 4. We Improved the Standing Committee, and Attached Importance to the Function of the Special Committees

Improving the standing committee is an indispensable condition to achieve success in the work of the people's congress. In 1994, the standing committee took studying as the primary task in improving itself, conscientiously studied the third volume of the "Selected Works of Deng Xiaoping" and the spirit of the third and fourth plenary sessions of the 14th party Central Committee through various ways, insisted on arming our minds and guiding the work with the theory of building socialism with Chinese characteristics, and maintained unity with the party Central Committee with more initiative. In 1994, the members of the standing committee, observing the rules of procedures, as well as the standing committee members' regulations, performed our function according to law, strengthened the building of a clean government, deepened investigation and study, and maintained a close relationship with the masses. Working efficiency and the quality of discussing official business were improved in a fairly great manner.

In order to increase the knowledge of the standing committee's members and the broad masses of cadres and masses on the nature, position, and function of the people's congress, the standing committee grasped the favorable opportunity of the 40th anniversary of the establishment of the people's congress to launch diversified commemoration and propaganda activities throughout the whole province in a centralized manner. The province convened a grand commemoration meeting, held a television award contest, and organized a intelligence contest and a joint exhibition of calligraphy, painting, and photography in commemorating the second anniversary of the issuing of the law on people's deputies. All the cities, prefectures, counties, and districts also universally held commemoration activities. Shandong's news and propaganda units at all levels, with close coordination and concentrated efforts, publicized the system and work of the people's congress in a multilayered and all-directional manner. These commemoration and propaganda activities produced extensive, as well as profound, social influence.

The special committees are the permanent working organizations of the people's congress. Bringing into full play the function of special committees is of significant meaning for the standing committee to accomplish all the tasks of legislation and supervision. Every special committee, under the leadership of the provincial people's congress and its standing committee, conscientiously performed the function and power entrusted by

the Constitution and the law, and did a lot of work in participating in local legislation, studying, examining, and drawing up relevant motions. The special committees, in accordance with the requirements of work, listened to 23 reports on the implementation of enforcing the law and the working results of the relevant departments, developed indispensable inspection and investigation on special topics, wrote some inspection and investigation reports with the reports on situation, analyses, and suggestions, and played an important role in assisting the standing committee to exercise the right of supervision.

In 1994, the standing committee attached importance to strengthening the organization construction, and set forth clearly defined requirements for studying, working, and the construction on organization and system. The cadres of organizations conscientiously studied the third volume of the "Selected Works of Deng Xiaoping," the document of the fourth plenary session of the 14th party Central Committee, the theory of a socialist market economy, and the Constitution as well as the relevant laws, and improved the level of political quality and undertaking. Every department, in an effort to improve the working style, promoted their working efficiency, revised, supplemented, and perfected all the rules and regulations. A forum of the secretaries general of city and prefectural people's congresses and the directors of offices (departments) of the whole province was convened in October 1994 to study and discuss the question of how to further achieve success in the government administration service under the new situation.

The standing committee also actively developed activities involving foreign affairs, received and participated in receiving 15 groups of foreign parliaments or friendly missions. The friendly mission of Shandong People's Congress and the Shandong economic delegation, led by the chairman and vice chairmen of the standing committee, respectively paid visits to Yamaguchi Prefecture in Japan and Switzerland, and attained complete success.

In 1994, the tasks of the standing committee in every respect attained fairly great results. However, some insufficiencies and problems also existed. They mainly were: Supervision, especially the examination and supervision of the implementation of the law was still not effective. Legislation was accelerated. However, the early stage appraisal of some rules and regulations were not sufficient, and the propaganda work proceeding after the stipulation of rules and regulations was fairly weak. The investigation and study on many new situations and new problems emerging in reform and construction were not enough, and they lacked a comprehensive and in-depth understanding. There were still room for the standing committee, special committees, and organizations to further improve themselves. All these problems should be conscientiously studied and resolved in the work henceforth.

Fellow deputies:

In 1995, Shandong will comprehensively accomplish the Eighth Five-Year Plan, and made preparation for the Ninth Five-Year Plan. In this new year, shouldering a heavy historical mission, we should insist on taking the theory of building socialism with Chinese characteristics and the party's basic line as guidance, comprehensively carry out the spirit of the 14th party congress and the third as well as the fourth plenary sessions of the 14th party Central Committee. We should, in accordance with the work layout and requirements of Shandong Provincial CPC Committee, take socialist democracy and legal system construction as the basic task; achieve success in handling the relationship between reform, development, and stability; focus on the general task of "grasping opportunity, deepening reform, opening wider, enhancing development, and maintaining stability"; conscientiously perform the function and right entrusted by the Constitution and the law; and make new contributions to ensure the implementation of all the measures of reform, maintaining the continuous, speedy, and healthy development of the national economy, and safeguard social stability.

To meet the requirements of the new situation of reform and construction, we should further strengthen local legislation. We should continue to place economic legislation at the primary position of the legal system construction, pay firm attention to the stipulation of local rules and regulations that are needed in conforming to the development of the socialist market economy. The standing committee has stipulated this year's legislation plan. We should improve organization and coordination, pay firm attention to its implementation, and guarantee the accomplishment of this plan. In order to make rules and regulations to be more scientific and applicable, we should work hard to improve the quality in this year's legislation work. We should persist in taking the overall situation into consideration and be cautious against putting undue emphasis on partial and local interests, as well as power. We should do our best to recruit the relevant experts and scholars to participate in drafting, and uphold combining the theoretical workers and the practical workers in legislation work. We should go deep down into the reality to make investigations and studies, achieve success in consultation and appraisals for drafting rules and regulations, and extensively solicit opinions from all the quarters. We should conscientiously screen and reorganize the rules and regulations that do not conform to the requirements of the situation's development, revise those that should be revised, and abolish those that should be abolished.

We should adopt effective measures to particularly achieve success in legal supervision. In this year, the standing committee, mainly focusing on the tasks set forth by the central authority of checking inflation, strengthening the agriculture's role as the foundation, and deepening enterprise reform, should achieve success in the examination of law enforcement and regulations such as agriculture law, enterprise law, provisions for enterprises to transform their operational mechanism,

company law, labor law, and environmental protection law. In order to strengthen the examination and supervision of the implementation of law, we should extensively develop the in-depth propaganda and education of the legal system, and improve the foundation work of law-enforcement inspection. We should further strengthen the supervision mechanism, attach importance to the feedback of supervision, increase the dynamics of supervision, and promote the real results of supervision. During law-enforcement inspection, we should pay firm attention to those issues against the Constitution and against the law, especially we should never be overly lenient to those serious typical cases, and we should urge the relevant departments to strictly handle them. At the same time of achieving success in legal supervision, the standing committee should take a further step to strengthen the supervision of work, continue to organize deputies to conduct appraisals of the work of the relevant departments directly under the province, and improve the guidance over the city and county deputies' work of appraisal. The main task of this year's supervision work is to urge and support the government, the court, and the procuratorate to implement the guiding thoughts of "uniting thoughts, assuming overall responsibility of the overall situation, improving coordination, and working in a down-to-earth manner," which was decided on by the central authority; achieve success in each one's own work with the focus on the party and the state's general task; implement smoothly this year's economic and social development plan; work hard to upgrade the overall economic level and its operational quality; conscientiously resolve the problems of inflation and public security, phenomena of corruption, and the heavy burden of peasants, which concerns the masses; and take a further step to consolidate and develop the very good situation of the whole province.

The work of the organ of the state's power is basically characterized by following the principle of democratic centralism to represent people to exercise the right of administering the state and social affairs. The standing committee should deepen the study and implementation of the spirit of the fourth plenary session of the 14th party Central Committee, continue to uphold the idea that democratic centralism is of great importance. It is imperative to firmly foster the concept of the party, accept the party's leadership with more initiative, and unswervingly accord with the party Central Committee in the party's basic line, the overall guideline, overall policy, overall target, and the important issues concerning the overall situation. We should uphold the principle of collective discussion and deciding on important issues, fully carry on democracy, strictly act according to law, and work hard to accomplish the various systems of democratic and scientific policymaking. We should take a further step to improve the working style, strengthen investigation and study, go deep down to the reality and the grass roots, get a comprehensive understanding of the real situation of

reform and opening up, and make policy in accordance with objective reality and the basic interest of the people. In light of the arrangement of the provincial party committee and following the principle of unity, simplification, and efficiency, we should achieve success in the reform of the organizations of people's congresses in an effort to make the organizations and cadre contingent better conform themselves to the increasingly strenuous working requirements. We should strengthen the guidance to the reshuffling of the township and town people's congresses, and take a further step to maintain a close relationship with deputies and the people's congresses at all levels.

This year, the tasks confronting the standing committee are very strenuous. To smoothly accomplish these tasks, we should, in accordance with the requirements set forth by Comrade Jiang Zemin of "study, study, and study," conscientiously study the first, second, and third volumes of the "Selected Works of Deng Xiaoping," comprehensively grasp the scientific system of the theory of building socialism with Chinese characteristics, and understand in a profound manner the theory's basic viewpoint and its substance of spirit. It is imperative to improve the study on the Constitution and the law, which is a weapon we should work hard to grasp in developing the work of the people's congress, and continue to strengthen the initiative of doing substantial work. We should conscientiously study the basic theory of the socialist market economy, as well as modern scientific and technological knowledge, and lay a good ideological and theoretical foundation for establishing and perfecting the socialist market economy and promoting the betterment of science and technology. As long as we attach much importance to and achieve success in our studying, continue to upgrade the theoretical level and undertaking's quality, we can grasp the correct political direction from beginning to end and push forward the work and construction of the people's congress.

#### Zhejiang Studies Development of Coastal Resources

HK1503051795 Beijing ZHONGGUO XINWEN SHE in English 1403 GMT 14 Mar 95

[FBIS Transcribed Text] Hangzhou, March 14 (CNS)—Zhejiang Province hopes to realize its ambitious target which will see it being transformed into a province with rich ocean resources such as deep-water ports with excellence in harbour facilities, fisheries, industry, trade and tourism; and the coastal cities fully open to foreign investment by the beginning of the next century.

A source from the Zhejiang provincial government reveals a feasibility study, under the title of "Integrated Researches on Coastal Resources of Zhejiang Province", which involves efforts of 2,500 personnel from the science and technology sectors and takes five years to finish. This ambitious target which is by far the biggest project the provincial government has ever undertaken, was completed in late 1994.

The feasibility study indicates that the total area of inner and territorial waters in Zhejiang is about 4.24 square kilometres; the coastal lines measures 6,500 kilometres, the longest in China; and there are over 3,000 islands which have an area of 500 square kilometres or above, which accounts for more than one-third of the total number of islands in China.

On the other hand, Zhejiang is very rich in port resources as the total length of coastal lines along deep-water berths capable of accommodating vessels of 10,000 tonnes or above is 166 kilometers. Among them, the most famous one is the Ningbo's Zhoushan deep-water port which is close to Shanghai and the outlet of Yangtze River and forms a natural sea path connecting the coastal cities open to foreign investment. It is regarded as one of the four major international deep-water ports in China.

At this stage, Zhejiang will concentrate on development of the following industries, namely marine cargo transport, aquatic products, sea travel, trade. At the same time, the province will foster newly developed ocean industries such as exploration of petroleum resources in the East Sea and high-tech ocean technology in a planned way.

Concurrently as development of ocean resources is on course at full speed, the Zhejiang government is adopting appropriate measures to protect the ocean environment such as exploration of marine resources, water conservancy projects to maintain the river outlets leading to the sea, anti-pollution projects, protection of offshore ocean and fisheries resources, building of embankments and forestation along the coasts.

#### Central-South Region

##### Guangdong To Open More Ports to Foreign Trade

HK1503084995 Beijing CHINA DAILY in English 15 Mar 95 p 5

[By Wang Rong: "More Ports Will Fulfill Guangdong's Trade Goals"]

[FBIS Transcribed Text] Guangzhou—South China's Guangdong Province is planning to open another 16 ports to overseas traffic this year. Four of them have approval from the State, and the others have it from the provincial government, said Weng Zongyong, director of Guangdong Port Office (GPO).

He told the provincial meeting on ports that the expansion was a bid to help fulfill the provincial target of increasing imports and exports by 16 percent this year.

Mainly, priority will be put on eight key projects of port construction in Nanao, Chaozhou, Zhuhai, Yangjiang, Huanggang, Wenjingdu Port, Gongbei and Huizhou Ports, he said.

According to Weng, "the task is arduous" since six of them were listed in last year's plan but remained unfinished due to the shortage of funding. In addition, another four port projects in Guangzhou's Economic and Technological Development Zones, Zengchen, Wanshan, and Nanhai have been submitted to Beijing. "Preparations have to be made in this early stage," he stated.

Besides opening links to overseas trade, Guangdong will continue its port reform this year to bring itself up to international standards. The focus will be not only to push on the pilot reforms in Shenzhen and Zhuhai Special Economic Zones (SEZ), but to spread the reform throughout the province, according to Weng.

In the first six months of 1995 the land port in Shenzhen is to complete its computerization of the inspecting network. Zhuhai's Jiuzhou Port, which has taken a lead in simplifying its inspecting procedures, will focus on perfecting its services to passengers at home and abroad. And Shenzhen's Huanggang Port will devote its efforts to dredging the increasingly crowded channels.

Standing in the front line of the country's reform, Guangdong has been a pioneer in port construction. By the end of 1994, the province had opened 49 state-approved ports, accounting for 22 percent of the country's total.

#### Guangzhou Intensifies Reform of Social Security

HK1503060495 Beijing ZHONGGUO XINWEN SHE  
in English 1341 GMT 14 Mar 95

[FBIS Transcribed Text] Guangzhou, March 14 (CNS)—Guangzhou has been intensifying the reform of the social security system to cope with the demand for reform of organizations, the labour system and enterprises.

Since the adoption of the endowment insurance system in Guangzhou in 1984, up to now, there have been 640,000 workers joining the social security scheme for retirement. 1.2 million workers in municipal enterprises and foreign-funded enterprises have taken part in unemployment insurance, representing 90 percent of the total number of enterprises in the whole city (nearly 8,000 enterprises). More than 27,000 people are eligible for unemployment relief payment. In 1993, Guangzhou developed social industrial injury insurance once again. 7,000 institutions have taken part, involving Chinese workers in foreign-funded enterprises, enterprises in the private sector, individually run businesses and hired labourers; covering a total number of over 940,000 workers.

Besides, there is also rapid development in life insurance, hospitalization and medical insurance, individual endowment insurance and family planning insurance.

It is said that this year, 108 state-owned enterprises will change their method for operation to overcome their difficulties, so a considerable part of the 120,000 existing workers have to find alternative employment. Moreover,

there are over 87,000 retired workers, and the mainstay of social security will be in this sector. The participation of foreign-funded enterprises, private enterprises and self-employed labourers is the focal point of the setting up of a social security system which covers the whole of society.

#### Hubei's Wuhan Approved as 'Financial Open City'

OW1503111295 Beijing XINHUA in English 0815  
GMT 15 Mar 95

[FBIS Transcribed Text] Wuhan, March 14 (XINHUA)—Wuhan, the capital city of Central China's Hubei Province and a port on the Chang Jiang River, has been approved by the State Council as a financial open city, said Zhao Baojiang, mayor of the city.

This means overseas financial institutions are now allowed to conduct business operations in the city, he said.

According to the official, Wuhan has witnessed rapid progress in opening up to the outside world and using foreign investment in recent years, resulting in an urgent demand for international financial services.

It is learned that preparations are currently under way for foreign banks to open representative offices in the city.

Besides Wuhan, 13 Chinese coastal cities such as Tianjin, Dalian, Qingdao, Shanghai, Nanjing, Ningbo, Fuzhou, Xiamen, Guangzhou, Shenzhen, Shantou, Zhuhai and Haikou have so far been approved to open financial sectors to foreigners.

#### Hunan Demands Halt to Filing False Statistics

HK1503112195 Changsha Hunan People's Radio  
Network in Mandarin 2300 GMT 1 Mar 95

[FBIS Translated Text] The provincial statistical work meeting concluded in Changsha yesterday. Wang Maolin, secretary of the provincial party committee, attended the meeting and asked the cadres and staff members from statistical departments throughout the province to properly display the service and supervisory functions of statistics and make contributions to Hunan's sustained and healthy economic development.

Wang Maolin pointed out: There is a popular saying that officials turn out figures, and figures turn out officials. This practice of providing false information is a corrupt practice and must be resolutely stopped. Hunan's economic development and the improvement of its people's lives rely on our down-to-earth efforts. Those who falsify statistics are deceiving themselves and others and will only end up harming themselves, like picking up a rock only to drop it on one's own feet.

Wang Maolin stressed: From now on, no individual or unit is allowed to authorize or force statistical departments to file false statistics.

## Southwest Region

### Guizhou Governor Addresses Anticorruption Meeting

HK1503105595 Guiyang Guizhou People's Radio Network in Mandarin 2300 GMT 28 Feb 95

[FBIS Translated Excerpt] Yesterday morning the provincial government held a meeting on anticorruption, to review the results of combating corruption over the past year and arrange this year's battle against corruption throughout the province. Governor Chen Shineng delivered a speech entitled "Strengthening Leadership, Making Earnest Efforts for Implementation, and Carrying Forward the Battle Against Corruption in Depth." He said: In recent years, a healthy development trend has continued to present itself in the battle against corruption in government departments, an example of which is the practice of cleanliness and self-discipline. [passage omitted]

Chen Shineng pointed out: We must soberly understand that there is still a major gap between the results of government departments' combat against corruption and the requirements of the party Central Committee, the State Council, and the provincial party committee as well as the expectations of the people. We must further develop our achievements, find out where we lag behind, meet the requirements of the party Central Committee, the State Council, and the provincial party committee, and carry forward the battle against corruption profoundly and healthily. [passage omitted]

## North Region

### Beijing Socio-Economic Development Communiqué

SK1503055795 Beijing BEIJING RIBAO in Chinese 21 Feb 95 p 2

[Beijing's 1994 Economic and Social Development Statistical Communiqué issued by the Beijing Municipal Statistical Bureau on 21 February 1995]

[FBIS Translated Text] In 1994, the people of the municipality rallied closely round the party Central Committee, took Comrade Deng Xiaoping's theory on building a socialism with Chinese characteristics and the basic line of the party as guidance, conscientiously implemented the guidelines of the 14th party congress and the third and fourth plenary sessions of the 14th party Central Committee, worked under the leadership of the municipal party committee and government, emancipated the mind, firmly grasped favorable opportunities, made key breakthroughs and new achievements in fulfilling the target of becoming fairly well-off three years ahead of schedule, and made bigger strides in reform and construction. According to the central arrangements, the municipality smoothly promoted a series of major reforms; strengthened macroeconomic

regulation and control; ensured a sustained, fast, and sound development of the national economy; and continued to enhance the overall economic strength. Preliminary statistics showed that the gross domestic product reached 101.5 billion yuan, an increase of 13.5 percent over the previous year when calculated in terms of comparable prices. The revenues reached 4.29 billion yuan, an increase of 9.85 percent when calculated in terms of comparable items.

### 1. Primary Industry

Primary industry developed steadily and agriculture's role as the foundation of the national economy was further strengthened. The added value offered by the primary industry totaled 5.9 billion yuan, showing an increase of 2.6 percent when calculated in terms of comparable prices and accounting for 5.8 percent of the gross domestic product.

The municipality reaped better grain harvests. The area sown with grain was reduced by 381,000 mu. In spite of the serious natural resources, such as spring drought and summer waterlogging, the total grain output still reached 2.76 billion kilograms, only seeing a decrease of 80 million kilograms or 2.8 percent from the historical peak year of 1993. The per mu yield of grain reached 428 kilograms, an increase of 3 percent.

The output of farm and sideline products increased steadily. The municipality made new strides in developing the vegetable basket project. Some 150,000 mu of vegetable sown areas were newly added during the year (including modernized vegetable sown areas and protective areas.) The year-end vegetable sown areas reached 650,000 mu. Oriented by markets, the farm and sideline product cropping structure was optimized and the output of farm and sideline products increased by a big margin. All this ensured the supply of vegetables for the people of the capital.

The output of major farm and sideline products was as follows:

Product	1994	Percentage Increase Over 1993
Vegetable	4,671,000 tonnes	11.5
Meat	103,000 tonnes	9.8
Fresh eggs	330,000 tonnes	5.1
Milk	221,000 tonnes	-1.8
Freshwater fish	76,000 tonnes	8.6
Dried/fresh fruits	425,000 tonnes	7.6

Production conditions continued to improve. In 1994, the aggregate capacity of the rural areas reached 4.59 million kw, an increase of 1.9 percent over the previous year. The consumption of electricity in the rural areas reached 1.72 billion kilowatt hours, an increase of 1 percent. Some 198,000 tonnes of chemical fertilizer (100 percent effective content equivalent) were applied,

which was an increase of 33.7 percent. In 1994, investment in the construction of farmland water conservancy projects by the municipal government increased by 15 percent.

## 2. Secondary Industry

The added value of the secondary industry was 47.9 billion yuan, an increase of 15 percent. Of this, the added value of industry was 38.8 billion yuan, an increase of 12.8 percent; that of the building industry was 9.1 billion yuan, an increase of 27.1 percent; and the added value proportion of secondary industry in the gross domestic product was 47.2 percent.

The industrial production continued to increase rapidly. In 1994, the municipality industrial production growth rate was more than 20 percent. The total industrial output value reached 162 billion yuan, an increase of 29 percent. The total output value of the industries at or above the township level reached 120.84 billion yuan, an increase of 20.8 percent. Of this, the light industrial output value reached 47.02 billion yuan, an increase of 25.4 percent; the heavy industrial output value was 73.82 billion yuan, an increase of 18.1 percent. The output value of the state-owned enterprises reached 60.02 billion yuan, an increase of 3 percent; that of the collective enterprises reached 36.86 billion yuan, an increase of 36.9 percent; and that of the enterprises of other categories reached 23.96 billion yuan, an increase of 67.6 percent. The output value of the large and medium-sized industrial enterprises throughout the municipality reached 64.49 billion yuan, an increase of 5.7 percent.

Industrial production increased and quality improved gradually. In 1994, the industry at or above the township level realized 114.69 billion yuan in sales value, an increase of 22.0 percent over the previous year. Sales value at the end of the first quarter was 88.6 percent, that at the end of the second quarter was 89.5 percent, that at the end of the third quarter was 92.2 percent, and that at the end of the fourth quarter was 96.3 percent. Affected by market changes, output of some major industrial products increased, while others saw a decline.

Output of major industrial products was as follows:

Product	1994 actual output	Percentage increase over 1993
Steel	8.28 million tonnes	17.1
Rolled steel	5.83 million tonnes	14.7
Raw coal	6.81 million tonnes	-17.0
Electricity	12.69 billion kwh	-7.5
Chemical fertilizer	119,000 tonnes	5.9
Ethylene	280,000 tonnes	2.8
Plastics	391,000 tonnes	1.6
Cement	4.06 million tonnes	-1.4

Power-generating equipment	1.41 million kw	5.8
Automobiles	141,000	9.2
Metal-cutting machine tools	4,191	-30.2
of which: numerical control machine tools	238	-44.3
Computers	6,638	-16.3
Program-controlled telephone exchanges	2.993 million lines	8.7
of which: program-controlled digital exchanges	2.264 million lines	9.0
Color TV sets	700,000	23.1
Video recorders	169,000	51.7
Tape recorders	810,000	8.2
Refrigerators	61,000	-36.9
Air conditioners	107,000	1.4
Integrated circuit	10.88 million	19.3
Pianos	30,000	36.3
Watches	2.17 million	28.7
Clothes	74 million	7.8
Yarn	70,000 tonnes	-8.6
Cloth	277.78 million meters	5.0
Woolen fabrics	14.08 million meters	-6.0
Beverage wine	824,000 tonnes	9.7

Simultaneous increases were effected in economic efficiency and production, and overall efficiency improved steadily. The sales volume of the industry at or above the township level that exercises independent accounting was 118 billion yuan, up by 20 percent over the previous year; profits tax, 18 billion yuan, up by 16.7 percent; and profits, 8.7 billion yuan, up by 12.1 percent. The composite index of the municipal economic efficiency in 1994 was 135, ranking third among the 29 provinces and municipalities (regions). Of this, the profit rate of cost was 8 percent, the profit- and tax-yielding rate of capital was 13.5 percent, the rate of added value was 35 percent, the labor productivity was 31,500 yuan/person, and the turnover frequency of floating capital was 1.55 times.

Construction trade developed in a sound manner. Along with the increase in the investment in fixed assets and with the constant deepening of reform of construction trade, production speed of construction enterprises was accelerated. In 1994, the output value of projects completed by construction enterprises throughout the municipality was 31 billion yuan, up by 47.1 percent over the previous year. Of this, output value of the projects completed in the domestic places other than Beijing was 2.44 billion yuan, up by 37.9 percent; and that of the projects completed abroad was 160 million yuan, a drop of 5.9 percent. The area of houses and buildings under

construction throughout the municipality was 45.668 million square meters, up by 27 percent; and the area of the completed houses and buildings was 12.41 million square meters, up by 7.5 percent. The per capita labor productivity calculated in terms of construction output value was 38,945 yuan/person, up by 39.3 percent. The scale and level of construction trade continued to improve. Forty enterprises in the municipality joined the ranks of the 500 construction enterprises with largest management scale and best economic efficiency in the country.

### 3. The Tertiary Industry

The tertiary industry continued to develop vigorously. In 1994, the added value provided by the tertiary industry was 47.7 billion yuan, an increase of 13.5 percent if calculated in terms of constant price. The proportion of the tertiary industry in the gross domestic product rose from 45.8 percent in 1993 to 47 percent in 1994.

#### A. Transportation, Post, and Telecommunications

Trade in transportation, post, and telecommunications developed swiftly and rigorously, thus effectively relieving the tension in this regard. In 1994, the added value provided by this trade was 5.22 billion yuan, up by 11.2 percent over the previous year. The total volume of goods transported by all means of transportation in 1994 was 323 million tonnes, of which, the volume of the goods transported by railways was 45.827 million tonnes, that by highways was 277 million tonnes, and that by civil aircraft was 192,000 tonnes. The total volume of trips taken by passengers on all means of transportation was 101.91 million trips, which breaks down into, rail transportation amounting to 56.38 million trips, highway transportation amounting to 40.12 million trips, and civil aviation amounting to 5.407 million trips. The total business volume of post and telecommunications units was 4.18 billion yuan, up by 34.4 percent; and the number of mailed letters was 560 million, up by 5.8 percent. At the end of 1994, the total installed capacity of telephone switchboards throughout the municipality surpassed 3 million lines, of which, the urban switching network covered 1.766 million lines, up by 66.8 percent. By the end of 1994, the number of telephone subscribers throughout the municipality surpassed 1 million, up by 51.7 percent. The universal rate of telephone subscribers throughout the municipality was 18.5 percent, and the rate in suburban areas was 28 percent, up by 4.5 and 5 percentage points over the previous year respectively. The rate of program-controlled telephone switchboards in the municipality was 98.9 percent. The rate of program-controlled international and long-distance domestic telephone switchboards was 100 percent.

#### B. Domestic and Foreign Trade

In 1994, Beijing's domestic and foreign trade created a total of 13.74 billion yuan in added value, an increase of 19.6 percent over the previous year.

Domestic market flourished, and both purchase and marketing were brisk. In 1994, the total value of retail sales of commodities for the whole year was 67.94 billion yuan, up by 23.7 percent. Of this, the retail sales for catering services was 5.42 billion yuan, up by 21.5 percent. Of the total value of retail sales, retail sales of consumer goods to residents amounted to 55.87 billion yuan, up by 27.3 percent; retail sales of consumer goods to institutions amounted to 10.83 billion yuan, up by 16.7 percent; and retail sales of means of agricultural production amounted to 1.24 billion yuan, a drop of 29.5 percent. Of the total value of consumer retail goods, the value of foodstuffs was 24.64 billion yuan, up by 28.3 percent; that of clothes was 10.9 billion yuan, up by 29.8 percent; that of articles for use was 29.46 billion yuan, up by 22 percent; and that of fuel was 1.7 billion yuan, up by 18.9 percent.

New headway was made in building commercial units. In 1994, the municipality newly added 23,000 commercial and service units. By the end of 1994, there were a total of 248,000 such units in the municipality, and every 10,000 people shared 234 such units on an average, 21 more than the previous year. In 1994, another 13 large department stores, including the Shuang'an Department Store, started businesses. By the end of 1994, there were 40 department stores each with a floor space of more than 10,000 square meters. The scale advantage of large commercial enterprises was manifested further. The department stores each with an annual commodity sales volume of more than 100 million yuan numbered 40, 15 more than the previous year.

Foreign trade developed rapidly. Reform of the foreign trade system was deepened further, the multi-channel export played a positive role, and the scale of import and export continued to increase. The total import and export value of foreign trade for the whole year was \$4.013 billion, up by 31.9 percent over the previous year. The volume of foreign export trade exceeded \$2 billion, reaching \$2.12 billion, a net increase of \$430 million, or 25.3 percent, over the previous year. In the total export value, the export value of the enterprises entitled to deal in export increased by 28.4 percent, that of specialized foreign trade companies increased by 22.7 percent; and that of Sino-foreign enterprises of three types increased by 42.8 percent. The total import value of foreign trade amounted to \$1.89 billion, up by 40.2 percent.

#### C. Banking and Insurance

Banking and insurance service developed in a sound way, providing 9 billion yuan in added value for the whole year, up by 10.7 percent over the previous year.

By the end of 1994, savings deposits of banks throughout the municipality amounted to 23.111 billion yuan, an increase of 67.9 billion yuan, or 41.6 percent, over the end of the previous year. And, all kinds of bank loans amounted to 107.03 billion yuan, an increase of 16.5 billion, or 18.2 percent. The premium for insurance properties of the municipal insurance company in 1994

totaled 1.16 billion yuan, up by 26.2 percent over the previous year. Total assets of domestic insurance properties reached 149.5 billion yuan, total assets of overseas insurance properties reached 77.8 billion yuan, and total volume of indemnities reached 570 million yuan, of which, the indemnities paid domestically amounted to 470 million yuan.

#### D. Scientific Research and Multi-purpose Technological Service

Scientific research and multi-purpose technological service continued to develop with remarkable achievements scored. In 1994, this service provided 4.67 billion yuan in added value, an increase of 11.5 percent over the previous year.

In 1994, many new achievements were scored in scientific and technological work. For the whole year, 9,678 scientific research projects were conducted, 1,914 of which were popularized and applied. New progress was made in the industry invigoration program and the spark program. For the whole year, 337 projects covered by the spark program were carried out, and the industry invigoration program emphatically supported the technological transformation of 50 large and medium-sized enterprises.

#### E. Various Social Undertakings

In 1994, various social undertakings of the tertiary industry created a total of 15.07 billion yuan in added value, an increase of 11.4 percent. Of this:

International tourism developed steadily. Affected by objective factors, the number of tourists from abroad decreased for a time in 1994. After entering the third quarter, overseas tourists increased at a relatively rapid manner, thus remaining at a relatively high level for the whole year. In 1994, the number of tourists from abroad reached 2.03 million, an increase of 0.1 percent over the previous year, and foreign exchange revenue from tourism amounted to \$2.01 billion, an increase of 61.9 percent, to record levels.

Public utilities developed in a fairly rapid manner. In 1994, 140,000 more households came to be supplied with gas so that the total number of such households reaching 2.102 million. Water sold by the municipal tap water company was 650 million cubic meters, up 6.9 percent over the previous year. Electricity used by urban residents totaled 1.19 billion kilowatt-hours, up by 14.9 percent.

Relatively big progress was made in environmental protection. With a focus on preventing and controlling air pollution and protecting sources of drinking water, the municipality continued to strengthen protection of the urban environment. To prevent and control pollution, the municipality had 10 petrol filling stations removed and 7 renovated in areas near water sources that are under protection, thus reducing the pollution of underground water sources. Asuwei, Datun, and some other

large garbage treatment facilities were put into operation, and daily garbage treatment capacity in urban areas was increased to 2,000 tonnes, thus improving the quality of the environment. In 1994, public green areas in the city proper was expanded by 626.9 hectares with the planting of 2.37 million trees, laying of 1.5 million square meters of lawns, and growing of 2 million perennial root flowers. By the end of 1994, the coverage rate of greenery in the municipality was 31.4 percent, up by 0.7 percentage points over the end of the previous year.

The operation capacity of public traffic facilities was strengthened. In 1994, 15 bus lines were opened, 7 more than the previous year, with the increased mileage of 523.65 km, thus providing convenience for residents. The total length of public traffic lines was 4,015.2 km, an increase of 13.7 percent over the previous year. In 1994, the volume of passengers carried by public traffic means was 3.51 billion persons/trips, an increase of 4.8 percent over the previous year, of which, passengers carried by subways was 530 million persons/trips, up by 8.2 percent. At the end of 1994, 59,000 taxis were under operation in the municipality, an increase of 28.3 percent.

New results were achieved in culture, press, and publication. In 1994, there were 42 art performance groups, 22 cultural centers, and 23 public libraries in the municipality. For the whole year, the art performance groups run by the municipality staged 4,029 performances, and 97,466 shows of movies were projected. By the end of 1994, the Beijing People's Broadcasting Station possessed seven branch stations, with the broadcasting time reaching 120 hours daily, 24 hours more than the previous year. Construction of television coverage project in mountain areas was totally completed so that the municipal television population coverage rate reaching 98.3 percent. Meanwhile, 47.967 million copies of magazines and 850 million copies of newspapers were published for the whole year.

Undertakings in education achieved steady development. The number of municipal higher education institutions in 1994 came to 67 and accommodated 175,000 students, a 10.3 percent increase over 1993. The number of secondary specialized schools came to 119 and accommodated 67,000 students, a 7.8 percent increase over 1993. The number of vocational schools came to 180 and accommodated 66,000 students, an 18.4 percent increase over 1993; and 280 general senior middle schools accommodated 87,000 students, a 10.6 percent increase over 1993. The proportion between the number of students enrolled by secondary specialized schools, skilled workers schools, and vocational schools, and that of students enrolled by general senior middle schools was 1.97:1. The municipality had 72,000 graduates from higher educational institutions in the year and 67,000 graduates from the secondary vocational and technical schools of various categories. The enrollment rate of school-age children in the year was 99.92 percent and showed a 0.04 percentage points increase over 1993. The

municipality rebuilt and expanded 141,000 square meters of middle school buildings in the year and newly built 400 class rooms. The over-20-percent proportion of educational expenses in budgetary fiscal spending has been maintained consistently over the past six years.

Public health endeavors again achieved new development. Medical conditions for both urban and rural people were continuously improved. By the end of 1994, the municipal number of medical and public health institutions in 1994 totalled 4,958. Of this number, that of hospitals in both urban and rural areas totalled 629 and showed an 81 percent increase over 1993. The number of public health technicians totalled 117,000 and showed a 1,000 personnel increase over 1993. The municipality had 64,400 sickbeds in the year, which showed a 2,100-bed increase over 1993. There were 5.07 western and traditional doctors available for every 1,000 residents, which was a 0.3 percent decrease over 1993. Availability of beds in hospitals showed a 0.14 percent increase over 1993. The more than 700,000 peasants enjoyed the benefit of having the municipality fulfill the projects of rebuilding and expanding 30 public health centers at the township-town level in the year.

Undertakings in physical culture and sports scored marked achievements. In 1994, the municipality successfully sponsored the Sixth Far East and South Pacific Sports Games. The municipal athletes won 74.5 medals in the domestic key events. Of these medals, 22 were golden ones and nine were silver ones. During the 12th Asia Games in Hiroshima, 47 athletes of Beijing participated in 21 events. Of these athletes, 36 (in 40 competitions) won the first three places in 14 events. Of the first three places, 11 were golden medals.

#### 4. Investments Made in Fixed Assets and Urban Construction

The increasing speed in the investments made in fixed assets fell after a rise. The municipality as a whole invested 58 billion yuan in fixed assets in 1994, which showed a 53.8 percent increase over 1993. The increased scale in this regard showed a decrease of 6.7 percentage points over 1993. Of these investments, those made by local institutions totalled 38.6 billion yuan and showed a 58.2 percent increase over 1993. The increased scale in this regard showed a 1.8 percentage point decrease over 1993. The municipality implemented in an overall way the central policies on enhancing the macro readjustment over the investments made in fixed assets and brought the newly-opened projects under strict control. The annual number of newly-opened projects totalled 1,721 and showed a 14 percent decrease over 1993.

The focal points of investments were prominent and the investment structure was rational. Of the investments made in fixed assets across the municipality, those made in infrastructures totalled 15.32 billion yuan, showed a 71.7 percent increase over 1993, and the proportion of them was 26.4 percent; those made in rebuilding the shabby houses totalled 3 billion yuan, showed a 100

percent increase over 1993, and the proportion of them was 5.2 percent; as well as those made in the state or municipal key projects totalled 16.03 billion yuan, showed a 180 percent increase over 1993, and the proportion of them was 27.6 percent.

Achievements scored in urban construction were prominent. The progress in building urban infrastructures in 1994 was smooth. Along with the dedication of a large number of key projects in water, power, gas, and heating supplies, as well as in road construction, the city appearance incurred a new change again. Rebuilding the third northwest ring road, rebuilding Fushi Road, building the passageway under Changan Street, and rebuilding East Lianhuachi Road were some of the projects that were put into operation in a timely manner within the year. The municipality rebuilt or expanded 90 km of roads in the year and built 20 new overpasses. The progress in building the Beijing West Railway Passenger Station was smooth. The newly-increased capacity in power production in the year reached 117,000 kw and the increased acreage of heating supplies provided by the central systems reached 2.51 million square meters.

#### 5. The Construction of Markets of Various Categories

In 1994, the pace of building various categories of markets was accelerated, and the market system was further developed.

The municipality as a whole had 51 markets for industrial capital goods; and these markets had an annual transaction volume of 6.52 billion yuan, an increase of 10.5 percent over the previous year. Markets for building materials and coal were formed and started business.

The municipality had 76 banking organizations getting involved in market activities, and the stock transaction volume of these organizations reached 52.4 billion yuan, an increase of 410 percent.

The municipality had 74 markets for skilled persons and laborers and 431,000 registered laborers. Some 147,000 laborers or 34.1 percent were successfully exchanged.

The municipality had 20 real estate trading organizations, and these organizations had an annual transaction volume of 4.58 billion yuan. Bargains for areas amounting to 7.783 million square meters were concluded.

The municipality had 56 technology trading organizations, and these organizations had a transaction volume of 3.72 billion yuan, an increase of 4.5 percent.

Sixty new urban and rural country fair trade markets were built. There were 1,049 markets of this kind, and these markets had an annual transaction volume of 15 billion yuan. There were six large- sized country trade markets that each had an annual transaction volume of more than 100 million yuan.

### 6. Opening to the Outside World and the Construction of New-Technology Industrial Experimental Zones, Economic and Technological Development Zones, and Small District- and County-Level Industrial Zones

New headway was made in using foreign capital. A total of 2,675 foreign-funded enterprises of three kinds were newly approved, including 176 enterprises each involving an investment of \$10 million or so. By the end of the year, the municipality had 10,196 foreign-funded enterprises of three kinds. The agreements involving \$4.53 billion foreign capital were signed in 1994, and the foreign capital involving in the agreements totaled \$14.78 billion. Some \$1.95 billion foreign capital were really used during the year, setting a historical record and showing an increase of 99 percent over the previous year. By the end of 1994, the municipality actually used \$6 billion in foreign capital.

The development of economic and technological development zones, new-technology industrial experimental zones, and small district- and county-level industrial zones was accelerated. The "three kinds of zones" did a good job in developing and selling their land. In 1994, 4.1 square kilometers of ground were leveled with seven components of well-prepared infrastructure, including roads, running water, electricity, telecommunications, gas, drainage pipes, and sewage pipes. Thus, the municipality had 1.832 square kilometers of ground leveled in total (excluding the Haidian new-technology industrial experimental zone, the same below.) A total of 5.08 square kilometers of land were occupied by foreign firms. Thus, the municipality had 18.52 square kilometers of land occupied by foreign firms in total. The municipality earned 1.6 billion yuan and \$6.97 million from selling and transferring land utilization rights.

The "three kinds of zones" expanded the dynamics of soliciting business. In 1994, these three kinds of zones solicited 18 billion yuan in total investments from 886 enterprises; so that the total amount of solicited investment came to 36.15 billion from 2,260 enterprises. These zones signed contracts involving \$760 million during the year, so that some \$2.01 billion in contracts were signed. Actual investment by foreign firms amounted to \$29 billion yuan during the year, so that total investment in these zones by foreign firms reached \$790 million. Investment in each project averaged 20.32 million yuan, an increase of 55 percent. The scale of investment in foreign-funded projects was noticeably expanded. A group of internationally famous large companies introduced high-tech projects with large amounts of investment and with strong competitiveness to these zones. All this will effectively promote the capital's economic development.

The enterprises in the "three kinds of zones" made noticeable economic results. In 1994, these enterprises' sales income reached 3.56 billion yuan, an increase of 130 percent over the previous year; their profits reached 220 million yuan, an increase of 170 percent; and the taxes handed over by these enterprises reached 150 million yuan, an increase of 180 percent.

### 7. Prices

In 1994, the dynamics of price reform was greatly expanded. The municipal government first set forth 10 measures and 6 requirements for strengthening the management of goods prices, increased subsidies, and made appropriate achievements in controlling goods prices. The price index was still high due to the great influence of price hikes in 1993.

The price index in 1994 (with that in 1993 fixed at 100):

1. Residents' consumption price index		124.9	
2. Commodities' retail price index		117.9	
	Of which: 1) Foodstuffs	128.8	
		Of which: a) Grain	144.8
		b) Oil fat	133.8
		c) Meat, poultry, and eggs	133.4
		d) Aquatic products	125.6
		e) Fresh vegetable	128.7
	2) Beverage, cigarette, wine	109.5	
	3) Cloths, shoes, and hats	127.0	
	4) Textile fabrics	113.0	
	5) Cosmetics	116.0	
	6) Books, papers, and magazines	144.3	
	7) Cultural and sports appliances	110.7	
	8) Articles for daily use	117.8	
	9) Household electric appliances	105.4	
	10) Jewelry	104.4	

### 8. People's Livelihood

The people's living standards continued to improve. In 1994, the average wage of staff and workers was 6,500 yuan, a real increase of 8.9 percent if calculated in terms of constant price. The per capita net income of peasants was 2,300 yuan, a real increase of 9 percent if price rises were deducted.

Saving deposits of urban and rural residents increased by a wide margin. By the end of 1994, saving deposits of urban and rural residents reached 84.88 billion yuan, an increase of 51.4 percent over the beginning of 1994. Of this, savings deposits of urban residents reached 74.14 billion yuan, an increase of 53.7 percent; and those of peasants, 10.74 billion yuan, an increase of 37.4 percent.

New headway was made in building residences. The area of residential buildings whose construction was started or restored in 1994 reached 22.968 million square meters, an increase of 22.3 percent over the previous year; and the area of completed residential buildings reached 6.81 million square meters, a record high, or an increase of 4.5 percent over the previous year. By the end of 1994, a total of 237 small residential complexes were under construction in the municipality, with the total area reaching 14 million square meters. In 1994, the completed investment in rebuilding dangerous and old residences amounted to 3 billion yuan or more, and the area of residences whose construction was started or restored reached 4.5 million square meters. The comfortable living project was under all-round construction, and the task on building 300,000 square meters of comfortable living residences was fulfilled. Adding the residences built individually or jointly, more than 7,000 low-income households had their housing problems resolved. Housing conditions of Beijing's people improved further. The per capita housing acreage of urban residents was 12.8 square meters, 0.35 square

meters more than the previous year. The per capita housing acreage of peasant for living use was 24.4 square meters, an increase of 0.7 square meters.

### 9. Population

The natural population growth was kept under constant control. According to the statistics by the Household Registration Department, the total population with residence registration in the municipality was 10.617 million by the end of 1994, 105,000 more than the figure at the beginning of the year. Of them, the non-agricultural population was 6.838 million, an increase of 151,000 people. According to the sample survey of population change, the birth rate of permanent population was 8.96 per thousand, a drop of 0.39 permillage points from the previous year; and the death rate was 5.76 per thousand, a drop of 0.4 permillage points, resulting in a natural growth rate of 3.20 per thousand, basically equal to the figure of the previous year.

The scale of floating population was great. According to the survey of floating population conducted 10 November 1994, the total population entering Beijing from other places was 3.295 million—44,000 were from Hong Kong, Macao, Taiwan, and abroad, 2.833 million were from other provinces and municipalities, and 418,000 people entered Beijing by railway, highway, and airway.

Some problems remained despite the rapid social and economic development. Relatively conspicuous ones included the inordinate price increases; the failure to gear the development of urban infrastructure to the need of economic growth and improving the people's living standards; the relatively poor economic efficiency of some state-owned enterprises; and the poor social order and the increased criminal cases in some localities.

**Mainland To Force Talks Using 'Military Thinking'**

*OW1503023395 Taipei CNA in English 0208 GMT 15 Mar 95*

[By Bear Lee]

[FBIS Transcribed Text] Taipei, March 14 (CNA)—Beijing is embracing military thinking to force Taiwan into talks, even though it has not publicly said it will use force to pursue national unification, a local mainland affairs expert said on Tuesday [14 March].

The expert, who spoke on condition of anonymity, said this new stance could be seen from the recent remarks by mainland Chinese president and Chinese Communist Party General Secretary Jiang Zemin.

Jiang, who is also chairman of the Communist Party's Central Military Commission, said while meeting with a People's Liberation Army delegation to the Third Session of the Eighth National People's Congress a few days ago that Beijing could not promise not to use force against Taiwan because military action would be necessary in case of foreign intervention or if Taiwan declares independence.

The session, which opened March 5 in Beijing, will close on March 21.

"The Armed Forces should make contributions to national unification ... [ellipses as received] and the stronger our military strength the greater the possibility of peaceful national unification," Jiang was quoted as saying.

Furthermore, a ranking official with the Communist Party's United Front Work Department said during an internal meeting that Beijing's refusal to renounce the use of force against Taiwan "is an important means to force Taiwan into talks," the expert said.

The remarks by Jiang and the official is an apparent violation of the calls by Jiang himself for improved relations with Taiwan.

Jiang made his proposal on the eve of Chinese Lunar New Year, calling for enhanced trade and cultural ties and exchanges of visits by the leaders of the two sides.

"The sincerity that Jiang showed in his eight-point proposal was greatly undermined by his latest remarks," the expert commented.

**'Renegade' Boat Rams, Sinks Mainland Vessel**

*OW1503022195 Taipei CNA in English 0158 GMT 15 Mar 95*

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, March 14 (CNA)—A mainland fishing boat was reportedly rammed and sunk by a renegade Taiwan vessel about 70 nautical miles to

the west of Nanliao, a fishing port in northern Taiwan, early Monday [13 March] morning, the Marine Police said.

The 10 crew members aboard the mainland boat, the "Minxiayu No. 0444," were rescued by its sister ship the "Minxiayu No. 0443" shortly before the boat sank at 4:40 A.M. [2040 GMT], the skipper of the ill-fated ship told Taiwan Marine Police.

The skipper identified the Taiwan vessel that hit it as the "Chia Hsiang No. 18," but the Marine Police said no such boat exists. "Either the skipper memorized the wrong number or he lied," a police officer said.

The police were alerted to the accident when they seized the "Minxiayu No. 0443," just 200 meters off Nanliao, for encroaching on Taiwan territorial waters. The Minxiayu No. 0443 had been chasing after the Taiwan boat, which headed toward Nanliao after the accident.

Crew members of Minxiayu No. 0444 pledged to track down the Taiwan boat through the mainland's Association for Relations Across the Taiwan Strait, a semi-official intermediary body organized by Beijing to handle private exchanges between the mainland and Taiwan in the absence of official contacts.

The Minxiayu No. 0443 and all the crew of the two ships were later released by police and headed back to Mainland China.

**Council Views Losses From GATT Entry**

*OW1503031795 Taipei CNA in English 0143 GMT 15 Mar 95*

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, March 14 (CNA)—The local agricultural sector may see its output drop by up to NT [new Taiwan] \$33 billion (US\$1.24 billion) during the first year after Taiwan is admitted into the General Agreement on Tariffs and Trade (GATT), the Council of Agriculture warned on Tuesday [14 March].

"Taiwan's agricultural sector is small in scale and thus short on international competitiveness," the council analyzed in a briefing to a group of legislative assistants. "The tariff cuts and elimination of nontariff barriers the government guarantees to other GATT contracting parties would make agricultural imports increase."

The government has agreed to lower import duties on agricultural products to 14.3 percent in the first year of its GATT membership and to 12.3 percent in the sixth year.

The council estimates that in the first year, Taiwan's total agricultural loss, including losses to the fisheries and livestock sectors, could be anywhere from NT\$27.6 billion to NT\$33 billion. "Farmers could be hit hardest,"

the council said, estimating that their aggregate loss in the first year could be between NT\$12.4 billion and NT\$14.7 billion.

Total agricultural losses in the sixth year may be as high as NT\$55 billion (US\$2.1 billion), the council forecast.

To help local farmers weather the difficult times, the government plans to offer subsidies while bringing in more sophisticated agricultural technology. As for rice growing, the goal is to keep the supply and production in balance, the council pointed out.

### Rubber Industry Urged To 'Improve Quality'

OW1503031395 Taipei CNA in English 0122 GMT 15 Mar 95

[By Y.C. Tsai]

[FBIS Transcribed Text] Taipei, March 14 (CNA)—The domestic rubber industry must work hard to improve product quality and offer more value-added products in a bid to strengthen its international competitiveness, officials at the Ministry of Economic Affairs said Tuesday [14 March].

Noting that the rubber industry has been growing in tandem with Taiwan's industrial development, the officials pointed out that the industry must upgrade itself technologically in order to meet the demands of the market.

To achieve the goal, they noted, the government has allowed the rubber industry to employ foreign workers and has lowered import duties on various materials the industry needs.

In addition, the government has given NT [new Taiwan] \$10 million (US\$383,000) in technological assistance to the rubber industry every fiscal year since fiscal 1993, they elaborated.

Negative factors affecting the domestic rubber industry include the labor shortage, rising labor costs, difficulties in acquiring land for factories, environmental protection problems, competition from abroad, and the outflow of domestic funds and technologies.

Among the varied products made from rubber are tires, mechanical goods, industrial products, footwear, aircraft parts and rubberized textiles.

Statistics show that there are about 1,000 rubber producers islandwide employing nearly 30,000 people. The production value of the rubber industry totaled NT\$57.9 billion (US\$2.21 billion) last year, accounting for 1.1 percent of the manufacturing sector's total output.

### Increase Seen in Industrial Investment Projects

OW1503031695 Taipei CNA in English 0131 GMT 15 Mar 95

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, March 14 (CNA)—The number of new industrial investment projects has continued to increase during the past three years in Taiwan as a result of government encouragement and the private sector's confidence in Taiwan's industrial development prospects, the Industrial Development Bureau (IDB) said Tuesday [14 March].

A total of 335 investment projects worth NT [new Taiwan] \$200 million (US\$7.6 million) or more apiece have been started in Taiwan since the government implemented an investment stimulus program in September 1992, IDB officials reported.

Total investment capital for the 335 projects amounted to NT\$1.196 trillion (US\$45.46 billion), the officials quoted government statistics as saying.

The government stimulus program include loans, land-acquisition help, and other incentives, the officials said.

In February alone, 31 projects worth at least NT\$200 million were started, with total paid-in capital of NT\$22.1 billion (US\$840 million). A lion's share of the money—NT\$9.1 billion—went toward petrochemical projects, they noted, while 11 electronics and electrical-engineering projects worth NT\$5.18 billion were also begun.

### South African Arts, Science Minister Arrives

OW1503031295 Taipei CNA in English 0127 GMT 15 Mar 95

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, March 14 (CNA)—Ben Ngubane, South Africa's minister of arts, culture, science and technology, will head a four-member delegation arriving in Taipei on Wednesday [15 March] for a six-day visit.

Ngubane, 47, will be the fourth cabinet minister from South Africa to visit Taipei since the administration of South African President Nelson Mandela was formed in May last year. The other three were the ministers of foreign affairs, public enterprises, and defense.

At the invitation of the National Science Council (NSC), Ngubane and his party will look into opportunities to cooperate in science & technology, cultural, and education fields. Taiwan and South Africa maintain a sci-tech agreement for academic and governmental exchanges.

During their stay, the South African officials will also meet with Premier Lien Chan, Foreign Affairs Minister Chien Fu, Education Minister Kuo Wei-fan, Cultural Planning and Development Council Chairwoman Cheng Shu-ming, National Science Council Chairman Kuo Nan-hung, and other government officials.

They will also visit several cultural and economic establishments around the island before departing on March 20.

**Thai Bank Receives Approval for Opening Branch**  
*OW1503031895 Taipei CNA in English 0149 GMT 15 Mar 95*

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, March 14 (CNA)—Bangkok Bank, the flagship bank of Thailand, was given approval on Tuesday [14 March] to open a branch office in Taichung, central Taiwan, to deal with its expanded business on the island.

The Taichung branch, the third Taiwan outlet for the bank, will mainly serve Thai workers and small and medium-sized enterprises in central Taiwan, a bank spokesman said.

Bangkok Bank, the largest banking institution in Thailand, operates 427 branches in Thailand and 23 overseas. Its capital assets totaled US\$1.919 billion at the end of 1993 to rank it the 148th-largest bank in the world.

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